



County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

DAVID E. JANSSEN
Chief Executive Officer

July 31, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF PUBLIC WORKS: BURBANK WESTERN SYSTEM
BURBANK CHANNEL - PARCELS 211 AND 212
LEASE AGREEMENT - CITY OF BURBANK
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY OF
THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:**

1. Consider the Negative Declaration prepared and adopted by the City of Burbank, as lead agency, together with any comments received during the public review process. Certify that your Board has independently considered and reached its own conclusions regarding the environmental effects of the project as shown in the Negative Declaration in your capacity as a responsible agency for this project to redevelop property in the City of Burbank.
2. Find that the proposed 65-year Lease Agreement between the Los Angeles County Flood Control District and the Western Diocese of the Armenian Church of North America will not interfere with the District's use of said property.
3. Instruct the Chairman to sign the Lease Agreement and authorize delivery to the Lessee.
4. Authorize the Director of Public Works, or his designee, to sign and record a Memorandum of Lease pertaining to said Lease Agreement.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to allow the Los Angeles County Flood Control District (District) to lease portions of Burbank Western System-Burbank Channel, Parcels 211 and 212, to the Western Diocese of the Armenian Church of North America for parking purposes and the relocation of a public bike path. This action will allow for dual use of flood control right of way without interfering with flood control use.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we strengthen the District's fiscal capacity (Goal 4) Fiscal Responsibility. The revenue from the Lease Agreement will be used for flood control purposes. This action also meets the County Strategic Plan Goal of Service Excellence (Goal 1) as it improves the quality of life of the residents in the community.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

The annual rent to the County is \$17,360. This amount will be paid and deposited into the Flood Control District Fund. Subsequent year's rent shall be adjusted annually based on the Consumer Price Index for All Urban Consumers, with a reappraisal every ten years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The term of the Lease Agreement is 65 years and is comprised of Terms A and B. During Term A, the Church will complete the environmental site assessment as required in the Lease Agreement. There will be no payment of rent during this term of six months. Term B commences upon completion of Term A.

The proposed Lease Agreement is authorized by Section 2, Paragraph 13, of the Los Angeles County Flood Control Act. This Section provides as follows: "Said Los Angeles County Flood Control District is hereby declared to be a body corporate and politic, and as such shall have power:...13. To lease...any property (or any interest therein) whenever in the judgment of said Board of Supervisors said property, or any interest therein or part thereof, is no longer required for the purposes of said District, or may be leased for any purpose without interfering with the use of the same for the purposes of said District..."

The Lease Agreement has been reviewed and approved by County Counsel.

ENVIRONMENTAL DOCUMENTATION

In entering into the proposed Lease Agreement, the District is acting as a responsible agency for a project by the Church to redevelop its property in the City of Burbank. The City as lead agency has prepared an initial study, consulted with the District, and adopted a Negative Declaration for this project on May 11, 1998. The proposed Lease Agreement will not have a significant effect on the environment.

Upon your Board's approval of the recommendations herein, the Department of Public Works will file a Notice of Determination with the County Clerk in accordance with Section 21152(a) of the California Public Resources Code.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This action allows for joint use of the Flood Control right of way without interfering with the primary mission of the Flood Control District. This project will have no impact on other County services or projects.

CONCLUSION

Please return one adopted copy of this letter and all three executed Lease Agreements to the Department of Public Works, Mapping & Property Management Division.

Respectfully submitted,



DAVID E. JANSSEN
Chief Executive Officer

DEJ:DLW
PP:psr

Attachments (5)

c: County Counsel
Auditor-Controller (Accounting Division - Asset Management)
Department of Public Works (Fiscal)



Notice of Intent To Adopt A Mitigated Negative Declaration

TO: County Clerk
County of Los Angeles
12400 East Imperial Highway
Norwalk, CA 90650

FROM: City of Burbank
Community Development Dept.
Planning Division
275 East Olive Avenue
Burbank, CA 91510

Contact: Anna M. Vidal
Phone: (818) 238-5250

Subject: Notice of Proposed Mitigated Negative Declaration as required by the California Environmental Quality Act (CEQA) in compliance with Sections 21092 and 21092.3 of the Public Resource Code.

NOTICE IS HEREBY GIVEN that the City of Burbank has prepared a proposed Mitigated Negative Declaration in conjunction with the following project:

Project Title: Armenian Church of North America Western Diocese

Project Location: 3325 North Glenoaks Boulevard - A portion of lot 5 in the NW ¼ of Section 3, T 1 N, R 14 W, San Bernardino Meridian City of Burbank, County of Los Angeles, State of California.

Project Description: Remodeling of an existing industrial building into the Armenian Church and Diocesan Headquarters offices, which include a 630 seat Chapel along with construction of a Steeple, Social Hall/Kitchen area, and offices.

Public Hearing: A public hearing will be held to consider the proposed Mitigated Negative Declaration in conjunction with a parking determination, before the City Planning Board on, MONDAY, APRIL 27, 1998, at 6:00 p.m. in the Council Chambers of the Burbank City Hall, at 275 East Olive Avenue, Burbank, California.

Copies of the proposed Mitigated Negative Declaration are in the office of the Community Development Department, Planning Division, and are available for public inspection and review.

The public review period will end on APRIL 21, 1998.

Signature:  Title: City Planner Date: 4/2/98
Rick Pruetz

Date received for posting at County Clerk:

EXHIBIT E-1

COMMUNITY DEVELOPMENT DEPARTMENT



PROPOSED MITIGATED NEGATIVE DECLARATION

In accordance with the California Environmental Quality Act of 1970, and the Environmental Guidelines and Procedures of the City of Burbank, the Lead Agency, the Community Development Department, Planning Division, after review of the Initial Study, found that the following project would not have a significant effect on the environment, that possible environmental impacts have been mitigated and has directed that this Mitigated Negative Declaration be prepared.

1. Project Title: Armenian Church of North America Western Diocese
2. Project Location: 3325 North Glenoaks Boulevard (A portion of lot 5 in the NW ¼ of Section 3, T 1 N, R 14 W, San Bernardino Meridian City of Burbank, County of Los Angeles, State of California.)
3. Project Description: Remodeling of an existing industrial building into the Armenian Church and Diocesan Headquarters offices, which include a 630 seat Chapel along with construction of a Steeple, Social Hall/Kitchen area, and offices.
4. Support Findings: Based on the Initial Study, which is attached hereto and made a part hereof, it is the finding of the Community Development Department, Planning Division, that the above mentioned project is not an action involving any significant environmental impacts.

The proposed Mitigated Negative Declaration has been prepared in accordance with CEQA and reflects the independent judgement of the City of Burbank. A copy of the Initial Study is attached, and environmental documentation is on file in the Office of the Community Development Department, Planning Division.

Prepared by the Community Development Department, Planning Division, on April 2, 1998.

A handwritten signature in black ink, appearing to read 'Rick Pruetz', written over a horizontal line.

EXHIBIT E-1

Rick Pruetz
Chief Assistant Community Development Director/City Planner

California Environmental Quality Act

Initial Study

(as required by Sec. 15063 of the Public Resources Code)

To be completed by the lead agency

1. **Project Title:** Armenian Church of North America Western Diocese
2. **Lead Agency Name and Address:**
City of Burbank, Planning Division
275 East Olive Avenue
Post Office Box 6459
Burbank, California 91510-6459
3. **Contact Person and Phone Number:**
City of Burbank, Planning Division - c/o Rick Pruetz (818) 238-5250
4. **Project Location:**
3325 North Glenoaks
Burbank, California 91501
5. **Project Sponsor's Name and Address:**
Armenian Church of North America Western Diocese
2215 East Colorado Boulevard
Pasadena, California 91107
6. **General Plan Designation:** Limited Commercial
7. **Zoning:** C-2 Commercial Limited Business
8. **Description of Project:** (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support or off-site features necessary for its implementation. Attach additional sheets if necessary.)
The construction of a Church steeple.
9. **Surrounding Land Uses and Setting:** (Briefly describe the project's surroundings.)
The subject property is surrounded by industrial and commercial zones.
10. **Other public agencies whose approval is required:** (e.g., permits, financing approval, or participation agreement.)
The City of Burbank is the lead agency.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- Land Use and Planning Transportation/Circulation Public Services
- Population and Housing Biological Resources Utilities & Service Systems
- Geological Problems Energy/Mineral Resources Aesthetics
- Water Hazards Cultural Resources
- Air Quality Noise Recreation
- Mandatory Findings of Significance

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the project. A NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a significant effect(s) on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets, if the effect is a "potentially significant impact" or "potentially significant unless mitigated." An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because all potentially significant effects (a) have been analyzed adequately in an earlier EIR, including revisions or mitigation measures that are imposed upon the proposed project.



Signature

4/2/98

Date

Rick Pruetz

Printed Name

City of Burbank

For

EVALUATION OF ENVIRONMENTAL IMPACTS:

- 1) A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
- 2) All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
- 3) "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect is significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, and EIR is required.
- 4) "Potentially Significant Unless Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section XVII, "Earlier Analyses," may be cross-referenced).
- 5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). Earlier analyses are discussed in Section XVII at the end of the checklist.
- 6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g. general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated. See the sample question below. A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
- 7) This is only a suggested form, and lead agencies are free to use different ones.

SAMPLE QUESTION:

Issues (and Supporting Information Sources):	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
Would the proposal result in potential impacts involving:				
Landslides or mudslides? (1, 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(Attached source list explains that 1 is the general plan, and 6 is a USGS topo map. This answer would probably not need further explanation.)

Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
--------------------------------------	--	------------------------------------	--------------

ENVIRONMENTAL IMPACTS:

I. LAND USE AND PLANNING. Would the proposal:

- | | | | | |
|--|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a) Conflict with general plan designation or zoning?
(2, 3, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Conflict with applicable environmental plans or policies
adopted by agencies with jurisdiction over the project?
(2, 3, 4, 5) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Be incompatible with existing land uses in the vicinity?
(1, 2, 3, 4, 5) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d) Affect agricultural resources or operations (e.g. impacts
to soils or farmlands, or impacts from incompatible land
uses)? (3, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Disrupt or divide the physical arrangement of an
established community (including a low-income or
minority community)? (1, 2, 3, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

II. POPULATION AND HOUSING. Would the proposal:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Cumulatively exceed official, regional or local population
projections? (1, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Induce substantial growth in an area either directly or
indirectly (e.g. through projects in an undeveloped area
or extension of major infrastructure)? (1, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Displace existing housing, especially affordable
housing? (1, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

III. GEOLOGIC PROBLEMS. Would the proposal result in or
expose people to potential impacts involving:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Fault rupture? (1, 6) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Seismic ground shaking? (1, 6) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Seismic ground failure, including liquefaction? (1, 6) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Seiche, tsunami, or volcanic hazard? (1, 6) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Landslides or mudflows? (1, 6) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Erosion, changes in topography or unstable soil
conditions from excavation, grading or fill? (1, 6) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

	Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
III. GEOLOGIC PROBLEMS con't				
g) Subsidence of the land? (1, 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Expansive soils? (1, 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Unique geologic or physical features? (1, 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
IV. WATER. Would the proposal result in:				
a) Changes in the absorption rates, drainage patterns, or the rate and amount of surface runoff? (1, 2, 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Exposure of people or property to water related hazards such as flooding? (1, 4, 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Discharge into surface waters or other alteration of surface water quality (e.g. temperature, dissolved oxygen or turbidity)? (1, 4, 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Changes in the amount of surface water in any water body? (1, 4, 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Changes in currents, or the course or direction of water movements?(1, 4, 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Change in the quantity of ground waters, either through direct additions or withdrawals, or through interception of aquifer by cuts or excavations or through substantial loss of groundwater recharge capability?(1, 4, 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Altered direction or rate of flow of groundwater?(1, 4, 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Impacts to groundwater quality? (1, 4, 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i) Substantial reduction in the amount of groundwater otherwise available for public supplies? (1, 4, 6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
V. AIR QUALITY. Would the proposal:				
a) Violate any air quality standard or contribute to an existing or projected air quality violation? (1, 8)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Expose sensitive receptors to pollutants? (1, 8)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Alter air movement, moisture, or temperature, or cause any change in climate? (1, 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create objectionable odors? (1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
--------------------------------	--	------------------------------	-----------

VI. TRANSPORTATION/CIRCULATION. Would the proposal:

- | | | | | |
|---|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a) Increased vehicle trips or traffic congestion? (1, 7) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Hazards to safety from design features (e.g. sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)? (1, 7) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Inadequate emergency access or access to nearby uses? (1, 7) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Insufficient parking capacity on-site for vehicles or bicyclists? (1, 2) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Hazards or barriers for pedestrians or bicyclists? (5) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| f) Conflicts with adopted policies supporting alternative transportation (e.g. bus turnouts, bicycle racks)? (1, 2, 4, 7) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) Rail, waterborne or air traffic impacts? (1, 2, 4, 7) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

VII. BIOLOGICAL RESOURCES. Would the proposal result in impacts to:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Endangered, threatened or rare species or their habitats (including but not limited to plants, fish insects, animals, and birds)? (1, 2, 9) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Locally designated species (e.g. heritage trees)? (1, 2, 9) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Locally designated natural communities (e.g. oak forest, coastal habitat, etc)? (1, 2, 9) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Wetland habitat (e.g. marsh, riparian and vernal pool)?(1, 2, 9) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Wildlife dispersal or migration corridors? (1, 2, 9) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

VIII. ENERGY AND MINERAL RESOURCE. Would the proposal:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Conflict with adopted energy conservation plans? (1, 2, 9) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Use non-renewable resources in a wasteful and inefficient manner? (1, 2, 9) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
--------------------------------------	--	------------------------------------	--------------

VIII. ENERGY AND MINERAL RESOURCES con't

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| c) Result in the loss of availability of a known mineral resource that would be of future value to the region and the residents of the State? (1, 9, 10) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|

IX. HAZARDS. Would the proposal involve:

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) A risk of accidental explosion or release of hazardous substances (including, but not limited to: oil, pesticides, chemicals or radiation)? (1) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Possible interference with an emergency response plan or emergency evacuation plan? (1) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) The creation of any health hazard or potential health hazard? (1) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Exposure of people to existing sources of potential health hazards? (1) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Increased fire hazard in areas with flammable brush, grass, or trees? (1, 2, 4, 6, 9) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

X. NOISE. Would the proposal result in:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a) Increases in existing noise levels? (2, 3, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Exposure of people to severe noise levels? (2, 3, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

XI. PUBLIC SERVICES. Would the proposal have an effect upon, or result in a need for new or altered government services in any of the following areas:

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a) Fire protection? (1, 14) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Police protection? (1, 14) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c) Schools? (1, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d) Maintenance of public facilities, including roads? (1, 14) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e) Other governmental services? (1, 14) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

	Potentially Significant Impact	Potentially Significant Unless Mitigation incorporated	Less Than Significant impact	No Impact
XII. UTILITIES AND SERVICE SYSTEMS. Would the proposal result in a need for new systems or supplies, or substantial alterations to the following utilities:				
a) Power or natural gas? (1, 14)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Communications systems? (1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Local or regional water treatment or distribution facilities? (1, 14)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Sewer or septic tanks? (1, 14)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Storm water drainage? (1, 14)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Solid waste disposal? (1, 14)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Local or regional water supplies? (1, 14)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
XIII. AESTHETICS. Would the proposal:				
a) Affect a scenic vista or scenic highway? (1, 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a demonstrable negative aesthetic effect? (1, 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Create light or glare? (1, 2)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
XIV. CULTURAL RESOURCES. Would the proposal:				
a) Disturb paleontological resources? (1, 4, 9)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Disturb archaeological resources? (1, 4, 9)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Affect historical resources? (1, 4, 9)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Have the potential to cause a physical change which would affect unique ethnic cultural values? (1, 4, 9)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Restrict existing religious or sacred uses within the potential impact area? (1, 4, 9)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
XV. RECREATION. Would the proposal:				
a) Increase the demand for neighborhood or regional parks or other recreational facilities? (1, 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Affect existing recreational opportunities? (1, 4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Potentially Significant Impact	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
--------------------------------------	--	------------------------------------	--------------

XVI. MANDATORY FINDINGS OF SIGNIFICANCE.

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|-------------------------------------|
| a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? (1, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Does the project have the potential to achieve short-term, to the disadvantage or long-term, environmental goals? (1, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects. (1, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? (1, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

XVII. EARLIER ANALYSES.

Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, one or more effects have been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case a discussion should identify the following on attached sheets:

- a) Earlier analyses used. Identify earlier analyses and state where they are available for review.
- b) Impacts adequately addressed. Identify which effects from the above checklist were within the scope of an adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures before on the earlier analysis.
- c) Mitigation measures. For effects that are "Less than Significant with Mitigation Incorporated," describe the mitigation measures which were incorporated or refined from the earlier documents and the extent to which they address site-specific conditions for the project.

Authority: Public Resources Code Sections 21083 and 21087.

Reference: Public Resources Code Sections 21080(c), 21080.1, 21080.3, 21082.1, 21083, 21083.3, 21093, 21094, 21151, *Sundstrom v. County of Mendocino*, 202 Cal. App. 3d 296 (1988); *Leonoff v. Monterey Board of Supervisors*, 222 Cal. App. 3d 1337 (1990).

BIBLIOGRAPHY

Armenian Church of North America Western Diocese
Construction of a Church Steeple
3325 North Glenoaks Boulevard

1. Proposed Development Plans and Applications.
2. City of Burbank, "Burbank Municipal Code," Chapter 31, Zoning. Burbank California.
3. City of Burbank, "Zoning Map", Revision Date: June 10, 1996. Burbank California.
4. City of Burbank, Community Development Department, "Land Use Element of the City of Burbank General Plan." Burbank California: adopted by Burbank City Council on May 31, 1988, Resolution No 22,354.
5. Envicom Corporation, Land Use Element EIR." Prepared for the City of Burbank Community Development Department February 1988.
6. City of Burbank, Community Development Department, "Safety Element of the City of Burbank General Plan." Burbank California : adopted by Burbank City Council on July 1, 1997 Resolution No. 25,087.
7. City of Burbank, Community Development Department, "Transportation Element of the City of Burbank General Plan." Burbank California: adopted by Burbank City Council in 1964.
8. South Coast Air Quality Management District, CEQA Handbook, April 1993.
9. City of Burbank, Community Development Department, "Open Space/Conservation Element of the city of Burbank General Plan." Burbank, California: adopted by Burbank City Council on December 19, 1972, Resolution No. 16,280.
10. Mineral Land and Classification Map - California Division of Mines and Geology, May 25, 1979.
11. Parking and Traffic Study prepared by Crain & Associates dated August 1995
12. Armenian Church/Diocesan Headquarters Parking Calculations by Crain & Associates dated February 9, 1998
13. Department Comments from:
CDD/Building Division
Fire Department
Public Works Department
14. Negative Declaration for the Armenian Church of North America dated October 25, 1995

ADDENDUM TO INITIAL STUDY

Armenian Church of North America Western Diocese
(3325 North Glenoaks Boulevard)

The following contains discussions of all questions in the Environmental Impacts Section (Part II), and the Discussion of Environmental Evaluation (Part III) of the Initial Study. It is guided by Section 15064 and Appendix G of the State EIR Guidelines.

I. LAND USE AND PLANNING

- a-e The project consist of the remodeling of an existing building into a church and diocesan headquarters. This will include a social hall/kitchen area, a chapel with a steeple, and Diocesan headquarter offices. Surrounding Land Uses consist of an Office and Retail Commercial Center to the southeast; Single Family development to the east; Woodbury University to the north and the Los Angeles Flood Control Channel abuts the subject property to the west, beyond which is the Golden State Freeway. The project site consist of approximately 103,313 square feet and is developed with a light manufacturing building consisting of about 32,400 square feet. Portions of the building are currently being used as a Diocesan headquarter office. The changes proposed to the existing development on the site consist of interior tenant improvements for the social hall/kitchen area and 630± seat chapel with a 69½ foot high steeple.

Because of its nature (ie: the utilization of the existing building without the construction of any new square footage), the church project will not result in any conflicts with adjacent land uses or zoning. Conflicts relating to noise impacts will be mitigated by the City's Noise Ordinance, and the church use of the site is not expected to be incompatible with existing land uses in the vicinity because the nearby residential uses are separated from the project site by Glenoaks Boulevard and by the commercial and industrial uses to the south. No impacts on agricultural resources or operations will occur from the project as there are no agricultural uses in the project vicinity or on the project site. Furthermore, the project does not have the potential to disrupt or divide an established community. (1, 2, 3, 4, 5)

II. POPULATION AND HOUSING

- a-c The church use is not anticipated to increase the population density and growth rate of the area nor is the church use expected to significantly alter the present location and distribution or the population. In addition, the use is not expected to generate any significant impacts upon future available housing units nor impact the available rental and/or affordable housing within the City. (1, 4)

III. GEOLOGIC PROBLEMS

- a-i The church project is not located in an area with a history of unstable soil or geological substructures. The project is not of size or scale that would cause significant changes in the topography, ground surface relief features, siltation or the deposition or erosion of a body of water or water courses, since it involves only a change in the use of an existing development, and does not involve any grading, excavation, or fill. Furthermore, no unique geologic or physical features have been observed on the site or the surrounding area and none are known to exist. The project will not expose people

or property to geologic hazards such as earthquakes, landslides, mudslides or similar hazards. Therefore, no impacts relating to these issues are anticipated to occur.

As the church use will not involve any significant grading and excavation activities, wind erosion of the soil during any minor grading and excavation, it is not expected to result in any significant impacts. (1, 6)

IV. WATER

a-i Given that the church project is the conversion of an existing building into the Armenian Church, church headquarters offices, and social hall, no outside construction will occur that could result in altering the current drainage patterns on site. However, existing drainage flow patterns must be shown on the plans and any improvements to the existing drainage system, such as improvements necessary to eliminate any flow(s) across public or private property as required by the Burbank Municipal Code shall be completed in conjunction with the church use. Because of the nature of the church use, no alterations to the course of flow of flood waters is expected to occur, nor would the church use result in any change to the water currents, movements, flows or quantities of water in any body of water. Further, the church use will not result in significant changes in absorption rates, drainage patterns nor the rate and amount of surface runoff. The drainage system currently in place would remain. Alterations to the rate, course, or direction of groundwater movements, or changes in the quantity or quality of groundwater would not occur. In addition, neither people nor property would be exposed to floods, or related hazards a result of the church use. (1, 2, 4, 6)

V. AIR QUALITY

a-d The church use does not involve demolition and/or outdoor construction activities and will therefore not involve the use of significant amounts of large construction equipment that would impact air quality. In addition, fugitive dust is not expected to result from the church use due to the fact that a significant amount of grading is not expected to result from the church use. Therefore, neither short-term or long-term deterioration in air quality is not expected to result from the construction activities related to the church use. The church use is not of a size or scale that will alter air movements climate or temperature. Therefore, no impacts relating to air quality issues, such as increased emissions, are anticipated as a result. Any activities taking place on the subject property in order to effect the church use or as part of the ongoing operations of the church use that could impact air quality will be required to meet State and local regulation. (1, 4, 8)

VI. TRANSPORTATION/ CIRCULATION

a-g The church project will result in additional vehicular movement in the immediate vicinity and on streets leading to and from the site. A traffic and parking study dated August 1995 and prepared by Crain & Associates, gave results of how the church use would affect the subject property and the surrounding area. This study indicated that the light manufacturing use generated 226 vehicle trips on an average weekday, including 30 during the morning peak hour and 32 during the afternoon peak hour. The study projected that the change in use of the existing building into a church and church headquarters would result in the generation of 94 additional vehicle trips per average

weekday, but will result in 4 fewer trips during the morning peak hour and 6 fewer trips during the afternoon peak hour. The study also reveals that the church use will not reduce the Level of Service at any of the six (6) intersections analyzed in the study. In order for the Church to impact traffic in the area, the Critical Movement Analysis (CMA) value would have to increase by 0.02, or Level of Service lower than D (an overall CMA value of more than 0.9). The study indicates that the maximum change in the CMA value expected is a 0.001 increase for three (3) of the six (6) study intersections during the p.m. peak hour. There was either no change or a decrease in the CMA values for all other intersections during the p.m. peak hour and for all six (6) study intersections during the morning peak hour. Therefore, no significant change in any CMA value is projected to occur as a result of the church use of the site. Furthermore, the City Traffic Engineer indicated that even if an event in the social hall and chapel areas ends during the evening hours, the existing street system could easily accommodate 177 vehicles exiting the site at about the same time without creating any congestion problems on the adjacent streets. Also, the existing design of the development does not present any vehicle access problems or other safety hazards, and the church use will not create a demand for additional street improvements.

Due to the fact that the Armenian Church made a change in the interior configuration of the building, Crain & Associates provided a revision to the original parking study dated February 9, 1998. The study compares the original configuration and square footage and the new configuration and square footage. It should be noted that the church use will remain in the same existing building and mostly interior changes will be made. The office size changed from 8,678.40 sq. ft. to 10,712.08 sq. ft.. The chapel size changed from 8,190.50 sq. ft. (400 seats) to 9,032.27 sq. ft. (630 seats). The storage size changed from 8,017.90 sq. ft. to 5,248.80 sq. ft. The kitchen changed from 1,336.00 sq. ft. to 1,069.66 sq. ft. The social hall changed from 4,696.60 sq. ft. to 5,050.04 sq. ft. The parking would increase to 178 parking spaces (originally 177 parking spaces). The Church provides 179 parking spaces on site. It should be noted that as a condition, the chapel area will not be used simultaneously with the Social Hall/Kitchen area; and a covenant will be signed to that effect. Crain & Associates also stated there would be no effect on trip generation and that the traffic study conducted in August 1995, as summarized in the paragraph above, is still valid.

The church use will not result in conflicts with adopted policies supporting alternative transportation, since the existing bus stop abutting the subject property south of Cohasset Street on the west side of Glenoaks Boulevard will remain in place because the two existing driveways on the subject property will not be altered. In addition, no impacts to rail, waterborne, or air traffic will result from the church use. (1, 2, 4, 5, 7)

VII. BIOLOGICAL RESOURCES

a-e No rare, threatened or endangered plants or animals as identified by the California Department of Fish and Game or the U.S. Department of Fish and Wildlife are apparent on the site, which is located on the fringe of a commercial/industrial area in an urbanized region. Therefore, no significant impacts with regards to plants or animals are considered to exist as a result of the church project. (1, 2, 9)

VIII. ENERGY AND MINERAL RESOURCES

- a-c A relatively low number of trucks and other equipment consuming fossil fuel at an accelerated rate will be necessary for the church use of the site. The consumption of fuel that will be necessary for the church use is small enough that no substantial increases in the demand for energy resources or interferences with natural heating and cooling opportunities are anticipated as a result of the church use. Therefore, the use of the site for a church and church headquarters is not expected to create significant impacts on energy resources, so mitigation measures are not necessary for the church use.

The subject property is already developed and changes in the existing development of the site other than remodeling of the building (for a social hall/kitchen area) and construction of a steeple; drainage and landscaping are not proposed as part of the subject application requests. The subject property is located in the middle of a highly urbanized area that is already surrounded by a variety of land uses. The subject property is not located in an area identified by the State Mining and Geology Board as containing mineral deposits designated as being of statewide or regional significance. However, it is located in an area classified by the State Board of Mines and Geology as MRZ-3. This classification is given to areas where inadequate information exists to indicate that significant mineral deposits are present or where it is judged that a high likelihood for their presence exists. Although the potential for mineral extraction in the project area may exist, the existing church use and the industrial, commercial, and residential land uses of the immediate vicinity are incompatible with mineral extraction and/or surface mining activities. The City of Burbank recognizes and acknowledges that, by allowing the church use of the site for a church and church headquarters (ie allowing another non-mining compatible use) it is continuing to exclude the potential for mineral extraction and/or surface mining on the subject property in the future. In addition, given that the site is already developed and the existing development on site will not change as a result of the church use, the potential for the conservation of the site for possible future mineral extraction opportunities does not exist. (1, 2, 9, 10)

IX. HAZARDS

- a-e Given the size, scale, and nature, and usage involved with the church use, the presence of chemicals or substances known to be hazardous to human health or the presence of materials or known practices that would expose people or property to a high fire risk are not expected to result from the church use. The subject property is not located in a high-fire risk area. Therefore, no impacts on these issues are anticipated. The applicant is required to comply with applicable codes relating to construction activities. Compliance with the code requirements will reduce the possibility of explosions or other hazardous occurrences during construction activities. As only minor changes are proposed to the existing development on site, the church use is not expected to interfere with any emergency response or evacuation plans, and will not result in any increases in fire hazards. In fact, the Fire and Building codes require installing fire sprinklers system to change the occupancy of the existing building to A2.1. (1, 2, 4, 6, 9)

X. NOISE

a-b Noise levels will increase in the vicinity of the subject property during construction activities. However, due to the relative short term impacts associated with the redesign of, and with the interior tenant improvements associated with the church use, no significant impacts are considered to occur. In addition, any construction activities, as well as the ongoing operations of the church and church headquarters, will be required to meet all Burbank Municipal Code requirements relating to construction hours, construction noise, and the standard Noise Ordinance (Chapter 21) provisions, which will apply to the normal operation of the church use. Furthermore, given that Woodbury University is located to the north, the Flood Control Channel is located to the west, and commercial and industrial uses are located to the south, the most noise sensitive use adjacent to the subject property is Single Family Residential across Glenoaks Boulevard to the Northeast. It should be noted, however, that the 100 foot right-of-way (Glenoaks Boulevard) provides enough distance between the two uses to keep any noise impacts at a level of no significance. (2, 3, 4)

XI. PUBLIC SERVICE

The church use will result in an increase in the demand for and utilization of public services over and above the demand of the previous light manufacturing use of the site. However, this issue was discussed in the Adopted Negative Declaration dated October 25, 1995, and the applicant has already paid all the necessary sewer fees. The changes to the project are architectural and no additional sewer fees are required. (1, 4, 13, 14)

XII. UTILITIES AND SERVICE SYSTEMS

a-g The church use will not result in the need for new utility services systems or supplies, since improvements have been made for the existing diocesan headquarter office. No adverse impacts on the storm drainage system are expected as a result of the church use on site, for no significant changes to the existing development on the site will occur other than some potential improvements to the on-site drainage system in order to better channel drainage into the existing storm drain system which has the capacity to handle the drainage from the subject property (see item IV above). The church use is not expected to result in the need for new solid waste disposal, natural gas, or communications systems and is not expected to result in the demand for substantial alterations to existing facilities. The applicant will be required to pay for upgrading any services to the site, and be required to pay ongoing service charges based on the amount of each type of service that is used. (1, 13, 14)

XIII. AESTHETICS

a-b The church use may result in new light sources, but they are not expected to adversely affect the adjacent neighborhood because all existing and proposed exterior light sources would be required to conform to the Burbank Municipal Code regarding lighting. Any existing or new light sources used for the church use would be within limits that are acceptable for this type of structure and setting. The potential impacts relating to light and/or glare impacts are therefore very minor, especially due to the types of land uses surrounding the subject property and the large setbacks, large street trees, and wide right-of-way (Glenoaks Boulevard), which act as a light buffer. (1, 2, 4)

The church use will obstruct some view due to the new steeple proposed on top of the chapel area. However, due to the location of the project site, view impact would be minimal. The view from single family homes is towards Interstate 5 Freeway, and therefore would not be obstructing a scenic view. It would obstruct the view of the Freeway, however. The church view from the opposite side of the Interstate 5 Freeway would not be effected; it is not visible due to the Freeway's elevation and the industrial buildings that block the view in the church direction. In addition, the Church and steeple are not located directly across the street from single family homes (the nearest single family property line is over 300 feet away). Woodbury University is located directly across the street. The University's view is not effected for the following reasons: a) there is a parking lot between Glenoaks Boulevard and the Church and steeple; b) there are large mature trees in front of the subject property that would cover the Church and steeple; c) Glenoaks Boulevard is one-hundred feet wide; and d) there is also a parking lot between the University and Glenoaks Boulevard. The Church use will not create any aesthetically offensive site open to public view. In addition the subject property is not located along or near a scenic vista or highway. (1, 2)

The church use will not significantly reduce access to sunlight upon neighboring properties. Although a future steeple to be installed over front portion of the building will add about 34½ feet to the height of the existing building, for an overall height of 69½ feet, the uses abutting this portion of the existing building is the parking area for the church. Therefore, the modifications proposed for the existing building will not significantly reduce access to sunlight by the abutting properties. (1, 2)

XIV. CULTURAL RESOURCES

a-e The subject property is located on an already developed site in a developed urbanized area. The existing building on the site is not listed in the National Register of Historic Places, as a California State Landmark or as a California Point of Historical Interest. The structure is not officially eligible for any such designation or listing. Furthermore, the building is not a City of Burbank landmark, nor was it included in any historic resource study of the City of Burbank located in the Office of Historic Preservation of the City of Burbank Planning Division. The project is located in a developed area and there are no known sites or areas in the vicinity associated with ethnic cultural heritage or religious or sacred use, nor are there any known archeological or historical resources. Furthermore, given that only minor modifications would occur to the existing development on site, the church use is not expected to disturb any paleontological or archaeological resources, and is not expected to have the potential to cause a physical change which would affect unique ethnic cultural values. (1, 4, 9)

XV. RECREATION

a-b The impacts of the church use on the quality or quantity of existing recreation opportunities are expected to be minimal, since the subject property is located in an urbanized area and is already developed, and the number of employees needed (and anticipated by the applicant) to support the normal daytime operations of the church and church headquarters (8:00 a.m. to 5:00 p.m. is lower than the previous use (light manufacturing). The modifications to the existing development that are proposed are minor. Therefore, increases in the demand for neighborhood or regional parks or other

minor. Therefore, increases in the demand for neighborhood or regional parks or other recreational facilities as a result of the proposed church use would be minimal, if any. (1, 4)

XVI. MANDATORY FINDINGS OF SIGNIFICANCE

a-d The church use is not expected to result in significant cumulative impacts in the vicinity of the subject property. This is the case because any increase in the intensity of use of the subject property are expected to be very minor. The only area where the church use could result in a potential cumulative impact are in areas of traffic and circulation. As discussed in item VI above, the Traffic and Parking Study (August 1995), and the Updated Parking Determination (February 1998) there will be no significant impacts to the area. The only potentially incompatible land use near the subject property is the Single Family properties across Glenoaks Boulevard to the southeast approximately 300 feet away. In addition, the 100 foot right-of-way (Glenoaks Boulevard) will also serve as sufficient buffer from any impacts of the church use. (1, 4)

XVII EARLIER ANALYSES

a-c A Negative Declaration dated October 25, 1995 was adopted November 25, 1995 on the subject property for the same church use. However, at the time the Negative Declaration was for a General Plan Amendment, Zone Map Amendment and Development Review on the subject property. The property was zoned for M-2 General Industrial zone, and it was changed to C-2 Commercial Limited Business zone, which lead the general plan amendment for the same change (from industrial to commercial). The zone and general plan changes were done to allow for the Armenian Church to occupy the existing building as their diocesan headquarters which included headquarter offices, a 400 seat chapel, and social hall with a kitchen. The changes that have occurred since that Negative Declaration are being analyzed in this current Mitigated Negative Declaration, which mainly is the construction of a 69½ feet high steeple and change in the square footage of the uses. As stated above in Item VI, the office size changed from 8,678.40 sq. ft. to 10,712.08 sq. ft.. The chapel size changed from 8,190.50 sq. ft. (400 seats) to 9,032.27 sq. ft. (630 seats). The storage size changed from 8,017.90 sq. ft. to 5,248.80 sq. ft. The kitchen changed from 1,336.00 sq. ft. to 1,069.66 sq. ft. The social hall changed from 4,696.60 sq. ft. to 5,050.04 sq. ft. But no additional new square footage is proposed to be constructed. All requirements made in the previous Negative Declaration have been made since the site is improved to date with the diocesan headquarter offices. (14)

SUMMARY OF MITIGATION MEASURES

Armenian Church of North America Western Diocese
3325 North Glenoaks Boulevard

VI. d TRANSPORTATION/CIRCULATION

1. The applicant will not use the chapel simultaneously with the social hall/kitchen area, and will sign a covenant to that effect.



**CITY OF BURBANK
COMMUNITY DEVELOPMENT DEPARTMENT, PLANNING DIVISION**

**CONSENT AGREEMENT FOR PROPOSED MITIGATION
MEASURES WITH MITIGATED NEGATIVE DECLARATION**

TO WHOM IT MAY CONCERN:

Pursuant to the California Environmental Quality Act of 1970 (CEQA), * the State CEQA Guidelines, ** and the City of Burbank Guidelines for Implementation of CEQA and State CEQA Guidelines, *** the City of Burbank Planning Division has made an Initial Study of possible environmental impacts of the following described project:

APPLICANT: Armenian Church of North America (Robert Barsam - Representative)

APPLICATION: Development Review No. 98-9

LOCATION: 3325 Glenoaks Boulevard

DESCRIPTION OF PROPOSED PROJECT:

Remodeling of an existing building into Armenian Church and Diocesan Headquarter offices, which includes a 630 seat Chapel along with construction of a Steeple, Social Hall/Kitchen area, and offices.

MITIGATION MEASURE Included in the Proposed Project to Avoid Potentially Significant Effects (if required):

1. The applicant will not use the chapel simultaneously with the social hall/kitchen area, and will sign a covenant to that effect.

INCLUSION OF MITIGATION MEASURES AS PART OF PROJECT:

I, Robert E. Barsam, have reviewed the mitigation measures noted above and agree to include said measures as part of this project.

Signed: Robert Barsam

Dated: 4/06/98

FINDINGS: It has been found that this project, as described and proposed to be mitigated herein, will not have a significant effect on the environment and that the environmental impact report (EIR) is, therefore, not required. A brief statement of reasons supporting such findings is as follows:

Based on the Initial Study, which is attached hereto and made a part hereof, it is the findings of the Community Development Department, Planning Division, that the above mentioned project is not an action involving any significant environmental impacts.

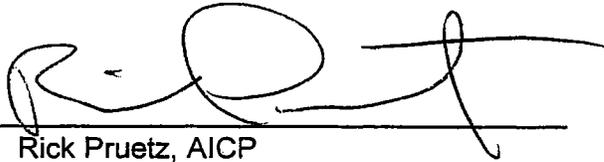
PUBLIC INQUIRY: Any person may object to dispensing with such EIR or respond to the findings herein. Information relating to the proposed project is on file in the office of the Planning Division at the address shown below. Any person wishing to examine or obtain a copy of that information of this document, or seeking information as to the time and manner to so object or respond, may do so by inquiring at said office during regular business hours.

A copy of the Initial Study is attached hereto.

PROPOSED NEGATIVE DECLARATION DATE: April 2, 1998

FINAL NEGATIVE DECLARATION DATE: April 27, 1998

RICK PRUETZ, AICP
Chief Assistant Community Development Director/ City of Burbank Planning Division
City Planner
275 East Olive Avenue
Burbank California 91510
(818) 238-5250



By Rick Pruetz, AICP
Chief Assistant Community Development Director/City Planner

AGENCY CONSULTATION REQUIRED: Yes No

AGENCIES CONSULTED: N/A

STATE CLEARINGHOUSE NUMBER (if required): N/A

INITIAL STUDY PREPARED BY: Anna M. Vidal, Assistant Planner

DATE POSTED: April 2, 1998 **DATE OF NOTICE TO PUBLIC:** April 16, 1998

-
- * Public Resources Code, Section 21000, et. Seq.
 - ** Title 14, Division 6, California Administrative Code, as amended
 - *** Burbank Municipal Code Section 21-103

FILE WITH:
Lease Agreement No.
Project/Stream: Burbank Western System – Burbank Channel
Right of Way Map No.: 7-RW18.1
Right of Way Parcel No.: 211 and 212
Assessor Parcel No.: 2473-013-901 (Portion)
Thomas Brother Page and Grid No.: 533-D4

LEASE AGREEMENT

Dated as of JUL 3 1 2007

By and between

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

and

WESTERN DIOCESE OF THE ARMENIAN CHURCH OF NORTH
AMERICA

76307

LEASE AGREEMENT

THIS LEASE AGREEMENT is entered into and is effective this 31ST day of JULY, 2007, by and between the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as DISTRICT), and the WESTERN DIOCESE OF THE ARMENIAN CHURCH OF NORTH AMERICA (hereinafter referred to as LESSEE).

RECITALS

WHEREAS, DISTRICT holds fee title to the property described in Exhibit A attached hereto, including certain open channel improvements constructed thereon, located in the City of Burbank, County of Los Angeles, State of California;

WHEREAS, LESSEE acknowledges that the City of Burbank and the County of Los Angeles have an Agreement dated May 25, 1976 for the development and maintenance of a bike path over a portion of the area LESSEE desires to lease;

WHEREAS, LESSEE desires to lease the area over and above an improved portion of the right of way for parking and public bike path purposes, including the construction, improvement, maintenance and repair of parking facilities and relocation of the public bike path;

WHEREAS, LESSEE desires to lease DISTRICT's property for the terms and conditions set forth in this Lease;

NOW THEREFORE in consideration of the covenants and conditions set forth herein, DISTRICT and LESSEE agree as follows:

TABLE OF CONTENTS

	Page
ARTICLE 1. DESCRIPTION AND ACCEPTANCE OF PREMISES	2
A. Description	2
B. Acceptance	2
ARTICLE 2. USE	2
A. Description	2
B. Interference with Flood Control	3
ARTICLE 3. LEASE TERM	3
A. Term A	3
B. Term B	4
C. Option to Extend	4
D. Cancellation	4
ARTICLE 4. RENT	4
A. First Year Rent	4
B. Rent Adjustment Based on Consumer Price Index For All Urban Consumers-(CPI-U)	5
C. Rent Adjustment Based Upon Appraised Land Value	5
D. Late Payment	7
E. Net Lease	7
F. Proration	7
ARTICLE 5. SITE ASSESSMENT	8
A. Access	8
B. Testing	8
C. Requirements and Remediation	9
ARTICLE 6. [INTENTIONALLY LEFT BLANK]	11
ARTICLE 7. FLOOD CONTROL, WATER CONSERVATION AND WATERSHED MANAGEMENT PRIORITY	11
A. Priority of Premises	11
ARTICLE 8. CONSTRUCTION AND ALTERATION	12
A. LESSEE's Right to Construct and Alter	12
B. Approval by DISTRICT As to Compatibility	14
C. Responsibility of LESSEE to Obtain Permits	14

TABLE OF CONTENTS
(continued)

	Page
D. Incorporation of Permit by Reference.....	14
E. Loading and Materials Stockpiling Limitations.....	14
ARTICLE 9. OWNERSHIP AND DISPOSITION OF IMPROVEMENTS	15
A. Ownership	15
B. Termination and Removal	15
C. Testing and Remediation to Perform at Lease Termination	16
ARTICLE 10. SURETY BONDS	16
A. Performance and Payment Bonds	16
B. Alternatives To Surety Bonds.....	18
ARTICLE 11. REPAIRS AND MAINTENANCE	19
A. LESSEE Responsible for Repairs and Maintenance.....	19
B. Emergency Conditions	21
C. Approvals by DISTRICT	21
ARTICLE 12. TAXES AND ASSESSMENTS.....	21
A. Payment of Taxes	21
B. Fees	22
C. Payment by DISTRICT.....	22
D. Commencement and Expiration	23
ARTICLE 13. LIENS AND CLAIMS.....	23
ARTICLE 14. INDEMNITY AND INSURANCE	24
A. Indemnity.....	24
B. Insurance	25
C. Uninsured Casualty.....	30
D. Effect of Destruction.....	31
ARTICLE 15. ASSIGNMENT AND SUBLETTING	31
A. Conditions for Assignment of Leasehold	31
B. Procedure for Assignment.....	31
C. Subletting	32
ARTICLE 16. NO SUBORDINATION.....	32
ARTICLE 17. RIGHT TO HYPOTHECATE LEASEHOLD	33

TABLE OF CONTENTS
(continued)

	Page
A. Right to Hypothecate Leasehold	33
B. Lender’s Right to Cure Defaults	36
ARTICLE 18. BANKRUPTCY OR INSOLVENCY	37
A. Breach.....	37
B. Lease Termination	38
ARTICLE 19. CONDEMNATION	38
A. Total Take	38
B. Partial Take.....	39
C. Temporary Take.....	40
D. Applicability of Article	40
E. Waiver.....	40
ARTICLE 20. DEFAULT	40
ARTICLE 21. REMEDIES FOR DEFAULT	41
A. DISTRICT Rights Arising from LESSEE Default	41
B. Rent Due and Rights Not Waived In Event of Default.....	42
ARTICLE 22. SALE OF THE PREMISES BY DISTRICT.....	43
ARTICLE 23. HAZARDOUS SUBSTANCES	43
A. Definition	43
B. Warranties and Representations.....	44
C. Notice	45
D. Damage/Spillage.....	45
E. Indemnity.....	46
F. Default.....	46
G. Survival	46
ARTICLE 24. ESTOPPEL CERTIFICATES	46
ARTICLE 25. JOINDER IN INSTRUMENTS; LOT SPLIT, ZONING	47
ARTICLE 26. EXCUSABLE DELAYS	47
ARTICLE 27. NON DISCRIMINATION	47
A. Use of The Premises.....	47
B. Employees	48

TABLE OF CONTENTS
(continued)

	Page
C. Subcontractors	48
D. Records.....	48
E. Breach.....	48
ARTICLE 28. QUIET ENJOYMENT	49
ARTICLE 29. RESERVATIONS.....	49
A. Reservation to Use of The Premises.....	49
B. Right of Entry for Inspection, Emergencies, etc	50
ARTICLE 30. WARRANTIES	50
A. No Warranty of Title	50
B. No Warranty of Soil	50
C. No Warranty of Use.....	50
ARTICLE 31. OPERATIONS AND SUPERVISION	51
A. Operations.....	51
B. Supervision by LESSEE.....	51
ARTICLE 32. MISCELLANEOUS	51
A. Notices	51
B. Waiver.....	52
C. Holding Over	52
D. Lease Binding Upon Successors and Assigns	53
E. Covenants	53
F. Negation of Partnership	53
G. Quitclaim	53
H. Number and Inclusion, Joint and Several.....	54
I. Headings and Titles	54
J. Compliance with Governmental Regulations.....	54
K. Ineligibility for Relocation Assistance	55
L. Storage of Materials	55
M. Entire Lease	55
N. Time of Essence	56
O. Claims and Protest.....	56

TABLE OF CONTENTS
(continued)

	Page
P. Monetary Obligations as Rent.....	56
Q. Savings Clause	56
R. Protection of The Premises.....	56
S. Authority to Enter Lease.....	57
ARTICLE 33. RECORDATION OF LEASE.....	57
ARTICLE 34. COUNTY LOBBYIST	57
ARTICLE 35. DECLARATION OF KNOWLEDGE BY LESSEE	57
ARTICLE 36. DEFINITIONS	58

LEASE AGREEMENT

THIS LEASE AGREEMENT is entered into and is effective this _____ day of _____, 20____, by and between the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as DISTRICT), and the WESTERN DIOCESE OF THE ARMENIAN CHURCH OF NORTH AMERICA (hereinafter referred to as LESSEE).

RECITALS

WHEREAS, DISTRICT holds fee title to the property described in Exhibit A attached hereto, including certain open channel improvements constructed thereon, located in the City of Burbank, County of Los Angeles, State of California;

WHEREAS, LESSEE acknowledges that the City of Burbank and the County of Los Angeles have an Agreement dated May 25, 1976 for the development and maintenance of a bike path over a portion of the area LESSEE desires to lease;

WHEREAS, LESSEE desires to lease the area over and above an improved portion of the right of way for parking and public bike path purposes, including the construction, improvement, maintenance and repair of parking facilities and relocation of the public bike path;

WHEREAS, LESSEE desires to lease DISTRICT's property for the terms and conditions set forth in this Lease;

NOW THEREFORE in consideration of the covenants and conditions set forth herein, DISTRICT and LESSEE agree as follows:

ARTICLE 1.
DESCRIPTION AND ACCEPTANCE OF PREMISES

A. Description

DISTRICT by and through its Board of Supervisors, leases to LESSEE, and LESSEE leases and hires from DISTRICT, that property described in Exhibit A attached hereto located in the City of Burbank, County of Los Angeles, State of California, hereinafter referred to as Premises.

B. Acceptance

LESSEE accepts the Premises in the condition existing as of the date this Lease is executed, except as otherwise provided herein, subject to all matters of record.

ARTICLE 2.
USE

A. Description

Lessee has the right to construct, reconstruct, repair, maintain and operate a parking lot and reconstruct the public bike path on the Premises, provided that the construction shall not be done or commenced until the plans and specifications for such construction or reconstruction shall have first been submitted to and been approved in writing by the Chief Engineer of the DISTRICT.

Any construction, reconstruction, repair, maintenance, and operation that affects the bike path shall not be performed or commenced until plans and specifications for the same have first been approved in writing by the City of Burbank.

LESSEE acknowledges that neither DISTRICT nor DISTRICT's agent has made any representation or warranty as to the present or future suitability of the Premises for LESSEE's proposed use or the conduct of LESSEE's business.

B. Interference with Flood Control

LESSEE agrees that its use of the Premises shall not adversely affect DISTRICT's flood control facilities and/or operations. If DISTRICT determines, in its sole discretion, that the use of the Premises adversely affects flood control or if such use has not been approved in accordance with the provisions of this Lease, LESSEE shall, upon receipt of notice thereof from DISTRICT, immediately cease such use. LESSEE shall bear any expenses associated with the cessation of such use, and shall have no rights or claims therefore against DISTRICT.

ARTICLE 3.
LEASE TERM

This Lease shall consist of Term A and Term B together referred to as the Lease Term. Term A shall be effective for a period of time as set forth herein, beginning on _____, 20____, also referred to as the Effective Date. Term B shall be effective for an initial period of sixty-five (65) years commencing upon the completion of Term A, as set forth herein.

A. Term A

1. Term A shall commence upon the Effective Date and shall remain effective for a period of six (6) months. During Term A, LESSEE shall conduct a site assessment, as set forth in ARTICLE 5 herein.
2. There shall be no payment of rent during Term A.
3. Prior to the commencement of any activities by LESSEE on the Premises, LESSEE shall be required to apply for and have obtained a temporary access permit to be issued by the Los Angeles County Department of Public Works' Construction Division, Permits and Subdivisions Unit. LESSEE shall meet all conditions

of said permit, including requirements for insurance therein. DISTRICT shall use its best efforts to facilitate the issuance of the temporary access permit.

4. No construction of Improvements by LESSEE shall be permitted during Term A, unless agreed to in writing by LESSOR.

B. Term B

1. Term B shall commence upon the completion of Term A. The day and month on which Term B commences shall be the Anniversary Date for the purposes of paying and calculating rent.

2. The first year's rent, as set forth in Article 4 A., below, will be due and payable prior to the commencement of Term B.

C. Option to Extend

LESSEE shall have no right to extend this Lease unless otherwise agreed to in writing by the Parties.

D. Cancellation

DISTRICT shall have the right to cancel this Lease if DISTRICT, in its reasonable discretion, determines that LESSEE's use will be substantially incompatible with a future project for flood control, watershed management and/or water conservation purposes by giving LESSEE at least one hundred eighty (180) days prior written notice. LESSEE shall have the right to cancel this Lease by giving DISTRICT at least one hundred eighty (180) days prior written notice.

**ARTICLE 4.
RENT**

Rent is due annually and payable on each Anniversary Date to:

Los Angeles Flood Control District
c/o Los Angeles Department of Public Works
P.O. Box 7437
Alhambra, California 91802-7437
Attention: Fiscal Division.

All payments shall state the name of LESSEE and Lease No.

_____.

A. First Year Rent

LESSEE shall pay DISTRICT as initial annual rent for the Leased Premises an amount of Seventeen Thousand Three Hundred Sixty Dollars (\$17,360.00).

B. Rent Adjustment Based on Consumer Price Index For All Urban Consumers-(CPI-U)

Except for years affected by the reappraisal as specified in Subsection C below and except as limited in this Section, every Anniversary Date that this Agreement is in full force and effect, the rent for the current 12-month period (Current Rent) shall be adjusted by the Consumer Price Index for All Urban Consumers (base year 1982-84=100) for the Los Angeles County, California area, published by the United States Department of Labor, Bureau of Labor Statistics (Index) as follows:

$$\text{Current Rent} \times (\text{Current Index} / \text{Previous Index}) = \text{New Rent}$$

The Current Rent shall be adjusted by (a) that percentage increase reported in the Index for that twelve (12) month period taken ninety (90) days prior to the Anniversary Date, or (b) three and one-half percent (3.5%), whichever is less (the Applicable Percentage). The Current Rent plus the product of the Current Rent and the Applicable Percentage is the amount payable to DISTRICT. The rent shall never be adjusted to an amount less than the Current Rent.

If the described Index is no longer published, another index generally recognized as authoritative shall be substituted as selected by the Chief Officer of the Bureau of Labor Statistics or its successor. If no such government index or computation is offered as a replacement, the DISTRICT and LESSEE shall mutually select a percentage for calculating future annual adjustments, not to exceed three and one-half percent (3.5%) per year.

C. Rent Adjustment Based Upon Appraised Land Value

Every tenth Anniversary Date of this Lease, the Current Rent shall be adjusted based on an appraisal of the Appraised Area, as defined herein, caused to be made by DISTRICT, at DISTRICT's expense, prepared by an appraiser licensed by the State of California. The Appraised Area shall consist of 9,990 square feet of Part A, which was determined to be the useable portion of the Premises, for appraisal purposes, as identified on Exhibit B, attached hereto and incorporated herein, as of the effective date of this Lease. In appraising the property the appraiser shall use the same methodology for appraising the property that was first used to establish the rental rate, wherein comparable sales were used, which reflected the same zoning as LESSEE's adjoining property.

DISTRICT shall notify LESSEE in writing sixty (60) days prior to the effective date of any rent adjustment and shall, as part of such notification, provide LESSEE with a copy of any and all appraisals prepared under the direction of the DISTRICT pursuant to this section, whether or not used as a basis for the rent adjustment. If the effective date set forth in the foregoing notice is later than the Anniversary Date, and LESSEE has paid the annual rent due as of the Anniversary Date, then LESSEE shall pay

DISTRICT a prorated portion of the new rent for the unexpired portion of the current lease year after the effective date of the adjustment.

Following receipt of written notification of rent adjustment from the DISTRICT, LESSEE may, at its own expense, obtain an appraisal of the Appraisal Area prepared by an appraiser of LESSEE's choice. If, in LESSEE's sole discretion, LESSEE determines that LESSEE's and DISTRICT's appraisals differ substantially, LESSEE may, by written request to District, request that a third appraisal of the Appraisal Area be prepared by an appraiser to be mutually agreed upon by the Parties. Unless otherwise agreed to in writing by the Parties, any rent adjustment shall be based upon such third appraisal.

D. Late Payment

Any rent payable under the Lease by LESSEE to DISTRICT and not paid within ten (10) days of the due date shall be delinquent and subject to interest charged from the date payment is due at the rate of ten percent (10%) per annum. The interest charge shall be compounded monthly and shall be computed by applying one-twelfth (1/12) of the interest rate to the sum owing. For each month that the sum is past due, interest shall be charged on the unpaid balance plus accrued interest, until such time that the amount fully owed is received by DISTRICT. The interest rate shall not exceed the then existing legal limit in California.

E. Net Lease

Unless stated otherwise herein, it is the purpose and intent of DISTRICT and LESSEE under this Lease that all Rent paid by LESSEE to DISTRICT shall be absolutely net to DISTRICT. All costs, expenses and obligations of all and every kind

relating to the use, occupancy and maintenance of the Premises by LESSEE, which may be incurred and become due during or subsequent to the Lease Term, shall be paid by LESSEE.

F. Proration

In the event of cancellation or early termination of this Lease other than on an Anniversary Date, prepaid rent shall be pro-rated to reflect the actual date of tenancy, subject to DISTRICT inspection of the Premises.

**ARTICLE 5.
SITE ASSESSMENT**

It is the intent of this Article to provide for testing and study of the Premises physical condition. This Article is not intended for the provision of due diligence review for financial feasibility and/or entitlements. All such tests, and studies shall be undertaken at the sole cost and expense of the LESSEE.

A. Access

LESSEE may, subject to the conditions specified in Article 3.A.(3) and subarticle B below, enter the Premises to conduct or to have conducted site assessment tests and studies as LESSEE deems necessary and as DISTRICT requires to satisfy contingencies stated in this Article.

B. Testing

1. LESSEE shall perform or cause to be performed a Phase I Site Assessment, a non-invasive site investigation, in accordance with ASTM E1527 or Replacement Requirement Standard Practice for Environmental Site Assessment: Phase 1 Environmental Site Assessment Process as published by the American Society for Testing and Materials (hereinafter referred to as Phase 1).

2. Any documents prepared as part of the Phase 1 shall be delivered to DISTRICT by LESSEE immediately upon LESSEE's receipt thereof, and shall thereafter become the property of DISTRICT.

3. DISTRICT, at its sole discretion, may require LESSEE to perform or cause to be performed a site assessment in accordance with ASTM 1903 Standard Guide for Environmental Site Assessments: Phase 2 Environmental Assessment Process or replacement requirement as published by the American Society for Testing and Materials (herein referred as Phase 2). DISTRICT shall notify LESSEE within ten (10) business days following DISTRICT's receipt of the Phase 1 results if the Phase 2 will be required, which shall include without limitation the following:

- preliminary surface and subsurface soil and groundwater sampling
- geophysical survey
- soil gas survey
- atmospheric sampling
- industrial hygiene and safety review
- identification of contamination and its sources
- recommend methods for remediation of contamination, if any
- estimated cost, if any, for remediation

Any documents prepared as part of the Phase 2 shall be delivered to DISTRICT by LESSEE immediately upon LESSEE's receipt thereof and shall therefore become the property of DISTRICT.

4. LESSEE shall not sample on or below the surface of the Premises until first allowing DISTRICT to inspect the Premises. After DISTRICT's inspection has been completed, LESSEE shall then secure a permit, in accordance with Article 3.A.(3), prior to commencing any sampling.

C. Requirements and Remediation

1. LESSEE shall have sixty (60) days from the Effective Date to arrange for and complete all such actions to satisfy this Article.

2. The scope of services and any persons or firms conducting any aspect of the site assessment shall be subject to prior written approval by DISTRICT. Any firms conducting such tests will have prior experience.

3. DISTRICT, in its sole discretion, may demand remediation of any and/or all contamination conditions found on, above or below the site. Such remediation shall be made at LESSEE'S sole cost and expense. LESSEE shall hold DISTRICT harmless and indemnify and defend DISTRICT against any and all claims and costs arising from any prior use of the Premises.

4. LESSEE shall notify DISTRICT in writing by the sixty first (61st) day after the Effective Date of the satisfaction or non-satisfaction or waiver of any and all contingencies or conditions set forth in this Article.

a. If LESSEE fails to notify DISTRICT within the aforesaid sixty (60) day period, then it will be deemed that the LESSEE has waived the contingencies, assumes the Premises is free from contamination, and the Lease shall continue in full force and effect.

b. Should remediation, as agreed to by the parties, continue beyond Term A, the parties may mutually agree to extend the site assessment period to no more than ninety (90) days following the Effective Date; the Lease shall continue upon the completion of said remediation. If extended to ninety (90) days then reference in Article 5C(5) to sixty (60) days shall be amended to read ninety (90) days.

5. LESSEE may cancel the Lease if, after completing the required site assessment within the sixty (60) day time period, the tests reveal that the site is contaminated and requires remediation. LESSEE shall notify DISTRICT in writing within the sixty days (60) of Term A of such determination and this Lease shall be canceled. LESSEE shall restore Premises to the condition found on the Effective Date at LESSEE'S sole cost and expense.

a. If the Lease is canceled, LESSEE shall continue to indemnify DISTRICT for conditions resulting from tests and studies conducted to satisfy its due diligence as stated in this Article.

b. DISTRICT may impose repair requirements and terms stipulated in Article 11 - Repairs and Maintenance herein.

ARTICLE 6.
[INTENTIONALLY LEFT BLANK]

ARTICLE 7.
FLOOD CONTROL, WATER CONSERVATION AND WATERSHED MANAGEMENT
PRIORITY

Use of the Premises by LESSEE for those purposes so stated in Article 2 herein shall be subordinate to DISTRICT's use thereof for present and future flood control, water conservation, and watershed management purposes as determined by the DISTRICT and shall not interfere or conflict with DISTRICT's use.

A. Priority of Premises

1. It is understood by the parties hereto that since construction projects of DISTRICT and others authorized by DISTRICT may be carried on within the Premises, LESSEE, its officers, agents, employees and its contractors, permittees,

licensees and their employees shall not unreasonably hinder or delay any of them or their actions.

2. DISTRICT may, when necessary, request LESSEE in writing to make required modifications, additions or relocation of LESSEE's facilities within the Premises due to DISTRICT's work for flood control, water conservation or watershed management purposes, when in the sole discretion of DISTRICT, such work cannot be accommodated practically or economically with LESSEE's existing improvements. LESSEE shall be obligated to make such modifications, additions or relocation upon its receipt of notice thereof, subject to obtaining applicable governmental permits and approvals, shall perform such obligations at its expense and shall complete them prior to commencement of DISTRICT's work.

a. Should LESSEE fail to make said modifications, additions or relocation within one hundred twenty (120) days from the later of receipt of notice from DISTRICT, or receipt of applicable governmental permit and approvals, DISTRICT may perform the required work itself or engage an independent contractor and charge LESSEE for any and all expenses incurred.

b. LESSEE shall reimburse DISTRICT for any and all costs DISTRICT incurred in making said modifications, additions or relocation together with interest calculated in conformance with Article 4.D.(1) until such payment is received in full by DISTRICT.

ARTICLE 8.
CONSTRUCTION AND ALTERATION

A. LESSEE's Right to Construct and Alter

1. Upon commencement of Term B, LESSEE shall have the right to construct (or cause to be constructed) a parking lot and related improvements (hereinafter referred to as the Parking Lot Improvements) and relocate and reconstruct the bike path (hereinafter referred to as the Bike Path Improvements) on the Premises. The costs of all permits, licenses, and other costs of any nature in connection with the construction of the Parking Lot Improvements, the Bike Path Improvements and the use of the surface of the Premises shall be borne by LESSEE, and LESSEE indemnifies and holds DISTRICT and the Premises harmless in connection therewith.

2. The construction, reconstruction, alteration, remodeling or removal of any improvements on the Premises shall not commence until LESSEE's final plans and specifications thereto have been submitted to and approved by DISTRICT's Chief Engineer or designee, and are in accordance with the terms and conditions of this Lease. In accordance with Article 8.C., LESSEE shall obtain and bear costs of permits for such work.

Routine maintenance, including graffiti removal, which does not include any penetration of the soil's surface and/or any construction, reconstruction, alteration or removal of any Improvements is exempt from the requirements of Articles 8.A.(2) and 8.C.

3. It is understood by LESSEE that such approval by DISTRICT does not imply, confer or constitute any entitlement as to what is permitted and may be

constructed on the Premises. Such entitlement(s) must be obtained by the LESSEE from the jurisdiction in which the Premises are located.

4. Such written approval for construction, reconstruction, remodeling, or alteration, with the exception of removal, shall not be unreasonably withheld unless DISTRICT, at its sole discretion, determines that the proposed construction, reconstruction, remodeling, or alteration, will interfere with the operation and maintenance of said DISTRICT facility or any of DISTRICT's other affected properties or facilities.

5. LESSEE shall submit, to DISTRICT, As Built Construction Drawings within thirty (30) days from Notice of Completion as executed by the Head, Permits and Subdivision Section, Construction Division of the Los Angeles County Department of Public Works. Failure to submit As Built Construction Drawings, as required herein, shall constitute a breach of this Lease. The sum of One Thousand Dollars (\$1,000) is hereby agreed upon as the amount of damages that will be assessed to LESSEE and paid to DISTRICT for each business day, following the fifth business day of such breach. Said amount has been agreed to by both parties in recognition of the difficulty in finding actual damages arising from a breach hereof.

DISTRICT's initials _____ LESSEE's initials _____

6. LESSEE, when undertaking any construction, reconstruction, remodeling, or alteration, except for minor repairs as defined herein, shall procure payment and performance bonds as specified in Article 10 - Surety Bonds.

B. Approval by DISTRICT As to Compatibility

Approval by DISTRICT of plans and specifications submitted by LESSEE shall be as to compatibility with DISTRICT's facilities and shall not be interpreted or inferred as an endorsement or approval as to the design, accuracy, correctness or authenticity of the information shown thereon. LESSEE shall comply with all requirements, rules, regulations, and ordinances pertaining to the construction of LESSEE's improvement on the Premises.

C. Responsibility of LESSEE to Obtain Permits

LESSEE shall arrange for, obtain and bear costs of all permits, including plan check and inspection fees, licenses, environmental impact reports, site preparation, surface treatment, relocation of any facilities, and enclosure of the Premises as necessary or required for health or safety in the construction, operation, and maintenance of the Premises as used by LESSEE.

D. Incorporation of Permit by Reference

As a condition of this Lease, LESSEE agrees to perform the covenants and conditions contained in any permit issued or to be issued to LESSEE by DISTRICT's Chief Engineer or his designees. In the event of any inconsistencies or ambiguities between the terms of the Lease and any permit issued, the Lease shall prevail.

E. Loading and Materials Stockpiling Limitations

1. LESSEE by this Article is aware that the use of heavy equipment in excess of H-10 highway loading, as specified in the Standard Specifications for Highway Bridges of the American Association of State Highway Officials (Current

Edition), or the stockpiling of materials on land within or adjoining DISTRICT facilities may damage such facilities by excessive loading or surcharge.

2. LESSEE agrees that no entry, use of heavy equipment or materials stockpiling on or adjacent to DISTRICT's property will be made by LESSEE without the proposed use having been requested and submitted in writing by certified mail to DISTRICT and only upon DISTRICT's written approval.

a. Failure of DISTRICT to respond within thirty (30) days of receipt of the notice for the proposed use shall be deemed as disapproval.

ARTICLE 9.
OWNERSHIP AND DISPOSITION OF IMPROVEMENTS

A. Ownership

1. The Parking Lot Improvements and equipment constructed or installed on the Premises by LESSEE or acquired by LESSEE during the Lease Term, as approved by this Lease, shall remain LESSEE's property during the Lease Term.

2. During the Lease Term all of LESSEE's improvements shall constitute additional security for the performance of LESSEE'S obligations hereunder.

B. Termination and Removal

1. LESSEE shall request DISTRICT in writing no more than twelve (12) months but not less than six (6) months prior to the Lease expiration date, or upon sooner termination of this Lease, to leave or remove all or a portion of said the Parking Lot Improvements.

2. Should DISTRICT, at its sole discretion, decide that LESSEE should not remove all or any part of the Parking Lot Improvements, DISTRICT shall

notify LESSEE in writing that it shall leave some or all of the Parking Lot Improvements as is.

C. Testing and Remediation to Perform at Lease Termination

1. Unless otherwise agreed to by the parties, LESSEE shall perform or have performed, at its sole cost and expense, a Phase 1 and Phase 2 as described in Article 5 between twelve (12) and six (6) months prior to the termination date of this Lease.

2. All documentation of Phase 1 and Phase 2 and results shall be given to DISTRICT by Lessee upon the receipt thereof by LESSEE.

3. Should said test(s) disclose any soil contamination on the Premises not present upon commencement of Term B, regardless of the source, LESSEE at its sole cost and expense, shall remediate all contamination to DISTRICT's satisfaction and restore soil to its condition found as of the Commencement of Term B.

4. Should LESSEE fail to perform such remediation and restoration as specified herein, DISTRICT may perform said actions as needed. LESSEE shall be charged for all such costs, together with interest on the total amount of the costs incurred as of the date of demand by DISTRICT, at a rate of (10%) per annum, but not exceed the then legal limit in California as of the date DISTRICT commenced work. The interest charge shall be compounded monthly and shall be computed by applying one twelfth (1/12) of the interest rate to the sum owing. For each month that the sum is past due, interest shall be charged on the unpaid balance plus secured interest, until such time that the sum owed is received in full by DISTRICT.

ARTICLE 10.
SURETY BONDS

A. Performance and Payment Bonds

1. On each occasion LESSEE constructs, reconstructs or removes any approved improvement within Premises, except for minor repairs as defined in Article 36, LESSEE shall at its own cost and expense furnish DISTRICT two (2) separate corporate surety bonds, in all respects satisfactory to DISTRICT as follows:

Performance Bond: Within thirty (30) days prior to commencement of any construction, reconstruction or removal, LESSEE shall furnish a corporate surety Performance Bond issued by a surety company licensed to transact business in the State of California, in an amount equal to one hundred fifteen percent (115%) of the contract price of such construction, reconstruction or removal. Said bond and said company shall be in all respects satisfactory to DISTRICT, naming LESSEE as principal, said company as surety, and DISTRICT as obligee, to assure full and satisfactory performance by LESSEE of its construction, reconstruction or removal of said Improvements.

Payment Bond: Within thirty (30) days prior to commencement of any construction, reconstruction or removal hereunder, LESSEE shall furnish a corporate surety Payment Bond (Material and Labor Bond), issued by a surety company licensed to transact business in the State of California, with LESSEE as principal, said company as surety, and DISTRICT as obligee. Payment Bond shall be issued in a sum equal to one hundred fifteen percent (115%) of the aforesaid contract price of such construction, reconstruction, or removal guaranteeing payment for all material, provisions, supplies and equipment, used in, upon, for or about the performance of said construction work

and for labor done thereon of any kind whatsoever and protecting DISTRICT from any and all liability, loss or damages arising from failure to make such payment.

2. Should LESSEE not complete any or all the work connected with construction, reconstruction or removal of the Parking Lot Improvements or the Bike Path Improvements on the Premises, then the bond(s) shall be used by DISTRICT for any and all such costs and payments. That amount in excess of one hundred percent (100%) of contract price shall release to the DISTRICT to cover total costs incurred in its performance of any and all actions under this Article.

B. Alternatives To Surety Bonds

1. In the event LESSEE constructs or removes certain Improvements by itself, DISTRICT and LESSEE agree that a letter of credit in the same amounts as required by Article 10.A, in a form acceptable to DISTRICT from an accredited lending institution, approved by DISTRICT, shall be submitted to DISTRICT, guaranteeing that funds necessary to accomplish said construction or removal shall be irrevocably set aside for the sole purpose of completing said construction or removal without the right of offset by such institution for other debts. Such letter of credit shall be renewed to provide for continuing liability in the above amount notwithstanding any payment or recovery.

2. In the event that LESSEE employs a licensed contractor for the construction or removal of the Parking Lot Improvements or the Bike Path Improvements and obtains from said contractor(s) similar bond(s) in a like amount, LESSEE shall insure bond(s) in all respects are satisfactory to DISTRICT, upon application by LESSEE and upon the naming of DISTRICT as an additional obligee

under such bond or bonds, DISTRICT will accept said contractor's bond in lieu of the bonds otherwise required by this Article. Such bond shall be renewed to provide for continuing liability in the above amount notwithstanding any payment or recovery.

3. At its sole option, the DISTRICT may accept Certificates of Deposit, Cash Deposit, U.S. Government Securities or other instruments acceptable to DISTRICT in lieu of corporate surety bonds to meet the requirements of this Article. Such alternate instruments shall be made payable to the Los Angeles County Flood Control District and shall be deposited with DISTRICT.

a. DISTRICT shall accept such alternative bond instruments only from institutions on the then current List of Approved Lenders maintained by the Los Angeles County Treasurer/Tax Collector. At any time during the Lease Term should the institution from which the instrument was procured, be removed from the List or otherwise disqualified by the County, then LESSEE must procure at its sole cost another such instrument, of equivalent value and standing, from an institution on the then current List upon written notice by DISTRICT.

4. Failure of LESSEE to comply with the above provision will result in a demand for corporate surety bonds as required under this Article.

ARTICLE 11.
REPAIRS AND MAINTENANCE

A. LESSEE Responsible for Repairs and Maintenance

1. LESSEE, at its sole cost and expense, shall maintain the Premises, including but not limited to, all facilities, structures, landscaping and improvements constructed thereon by LESSEE, in good repair and in compliance with all requirements of law and usual industry standards.

2. LESSEE shall take all reasonable steps necessary to protect all DISTRICT owned improvements and property from damage and to prevent any interference with the flow of water in the adjoining channel incident to LESSEE's use of the Premises, all without expense to DISTRICT. LESSEE shall be liable for damage to all DISTRICT owned improvements and property resulting from or attributable to the use and occupancy of the Premises by LESSEE or any person entering thereon with or without the consent of LESSEE, expressed or implied.

3. LESSEE shall repair or remove any and all damage that LESSEE has made or caused to the Parking Lot Improvements and the Bike Path Improvements, at no cost to DISTRICT. At DISTRICT's sole discretion, and at LESSEE's sole cost and expense, LESSEE shall repair and/or remove any and all DISTRICT owned improvements which are damaged by LESSEE. Should damages be caused by the presence of hazardous substances, LESSEE shall take remedial actions as specified herein Article 23.

a. LESSEE shall immediately remove from and keep all improvements on the Premises, except within the channel itself whether LESSEE or DISTRICT owned, free of any graffiti.

b. LESSEE shall evidence such repairs or removal within seven (7) days of the later of the incident causing the damage or district approval, if required herein. Concurrently with LESSEE's repair or removal of said damage, LESSEE shall notify DISTRICT in writing. Where DISTRICT owned improvements or property are affected, LESSEE shall first obtain DISTRICT's approval.

c. If LESSEE fails to repair said damages or remove damaged structures or other improvements promptly and to DISTRICT's satisfaction, DISTRICT may enter Premises with or without notice and repair said damage, or at DISTRICT's option, may terminate the Lease.

d. Should DISTRICT repair or remove said damages, LESSEE shall reimburse DISTRICT for any and all expenses incurred, together with interest at a rate of ten percent (10%) per annum, but not to exceed the then existing legal limit in California as of the date of demand by DISTRICT. For each month that the sum is past due, interest shall be charged on the unpaid balance plus accrued interest, until the amount fully owed is received by DISTRICT.

4. LESSEE shall otherwise observe and comply with any and all public laws, ordinances and regulations, applying to Premises during the term of this Lease.

5. Notwithstanding the above, DISTRICT shall not be obligated to make any repairs, alterations, additions or improvements in, on or to Premises or in, on or to any structure or other improvements hereinafter erected or installed thereon by LESSEE, whether structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen.

B. Emergency Conditions

In the event of an emergency, LESSEE shall take all steps necessary to abate the emergency condition. Emergency conditions are defined as situations in which lives are endangered or material or substantial environmental damage will result if required work is delayed pending approval by DISTRICT. LESSEE agrees that if work is done

under emergency conditions, LESSEE shall within seven (7) days from the occurrence of the emergency, request approval in writing from DISTRICT for the work performed as required herein.

C. Approvals by DISTRICT

1. For all repairs, LESSEE shall comply with each and every condition for Article 8, except for repairs to the interior of structures and for minor repairs as defined in Article 36, which shall conform with local building codes.

2. DISTRICT's Chief Engineer or designee may release LESSEE from any such condition only upon prior written Request for Release from Construction Conditions setting forth each and every condition from which LESSEE seeks release.

**ARTICLE 12.
TAXES AND ASSESSMENTS**

A. Payment of Taxes

1. LESSEE shall have sole responsibility to pay promptly without abatement, deduction, or offset, any personal and real property taxes, rental and excise taxes, business and occupation taxes and all general and special assessments, taxes or any other charges (hereinafter taxes) levied or assessed upon the Premises, LESSEE's operations thereon or against LESSEE's possessory interest by any governmental entity.

2. Should this Lease create a possessory interest, which may be subject to a property tax levy, LESSEE agrees to pay any property tax levied on such interest.

3. If notice of such taxes is received by DISTRICT from a governmental agency or any other persons or entity, DISTRICT shall communicate such

notice to LESSEE; however, DISTRICT's failure to communicate such notice shall not impose liability on DISTRICT or excuse LESSEE from payment of the taxes.

B. Fees

In the event that during the Lease Term taxes are placed upon DISTRICT by any governmental agency whether, city, state, federal or special district, as a part of a requirement to obtain a license or pay a sum for the renting or leasing of real property or any interest therein, measured in whole or in part upon the sums received by DISTRICT from LESSEE under this Lease, LESSEE shall either pay directly on behalf of DISTRICT or at DISTRICT's request, reimburse DISTRICT for any sums paid by DISTRICT.

C. Payment by DISTRICT

1. In the event LESSEE fails to pay such taxes within fifteen (15) days after the due date, DISTRICT may, at its option, pay any and all such sums together with all penalties and interest added thereto by reason of any such delinquency or default, and may likewise redeem the Premises or any part thereof, from any tax sale or sales.

2. LESSEE shall repay any such amounts so paid by DISTRICT, together with the maximum interest allowed by law, on the total amount paid by DISTRICT accruing from the date the DISTRICT incurred said cost, until such time that the amount fully owed is received by DISTRICT from LESSEE.

D. Commencement and Expiration

All taxes and assessments against Premises during the first and last years of this Lease shall be pro rated between DISTRICT and LESSEE. LESSEE shall have no

obligation for payment of installments of taxes on assessments that become due before the commencement of Term A of the Lease or that may be assessed after the expiration or sooner termination of the Lease term.

ARTICLE 13.
LIENS AND CLAIMS

A. LESSEE agrees to keep the Premises and the improvement(s) hereinafter constructed or placed thereon, and every part hereof, and any and every estate, right, title, and interest therein, at all times during the term of this Lease, free and clear of mechanic's liens and other liens for labor, service, supplies, equipment and materials.

B. LESSEE will at all times fully pay and discharge and wholly protect, defend and hold harmless DISTRICT and all and every part of the estate, right, title, and interest of DISTRICT in and to all and every part of the Premises and such Improvements, or any of them, against; (a) any and all demands or claims which may or could become such liens or labor claims, (b) all attorney's fees and costs, and; (c) any and all expenses, damages, or outlays which may or might be incurred by DISTRICT or LESSEE by reason of, or on account of any such liens or claims or the assertion thereof.

C. If any lien shall be filed, or if any suit, action or proceeding shall be commenced, affecting the Premises or Improvements thereon, LESSEE shall immediately, upon obtaining information thereof, give notice in writing to DISTRICT.

D. Should LESSEE allow a final judgment of foreclosure of any mechanic's lien, or any other judgment arising out of any claim or demand in connection with any construction or Improvements made upon the Premises to remain unsatisfied for more than a period of ten (10) days, DISTRICT may, at its option, pay any and all such claims

or demands. LESSEE covenants and agrees to pay to DISTRICT all such sums incurred or expended by DISTRICT, including all reasonable attorney's fees, with the maximum interest allowed by law on the total amount incurred or expended by DISTRICT from the date DISTRICT incurred or expended costs, until such time that the amount fully owed is received by DISTRICT.

E. DISTRICT shall have the right to post, record, and maintain on the Premises such Notices of Nonresponsibility as provided for under the laws of the State of California.

F. Notwithstanding anything to the contrary herein contained, if LESSEE shall contest the validity of any lien, claim or demand, then LESSEE shall, at its expense, defend itself and DISTRICT against the same and shall pay and satisfy any final adverse judgment that may be rendered therein before enforcement thereof against DISTRICT or the Premises.

G. LESSEE shall name DISTRICT as additional obligee under any surety bond furnished in the contested proceedings.

ARTICLE 14.
INDEMNITY AND INSURANCE

A. Indemnity

1. LESSEE agrees to indemnify, defend and hold harmless DISTRICT, its governing board, officers, employees, engineers, contractors, or agents against any claims of any nature whatsoever, arising from the construction, reconstruction, maintenance, operation or removal of any Improvements constructed or maintained by LESSEE on or under the Premises or use of the Premises by LESSEE.

2. DISTRICT shall not be liable for any loss occurring to the operation of the Premises; any injury, loss, death to any person whomsoever; any damage or destruction to the Premises, at any time, occasioned by or arising out of, indirectly, solely, or contributorily by: (a) any act, activity or omission of LESSEE or anyone holding under LESSEE, or; (b) the occupancy or use of the Premises or any party thereof, by or under LESSEE, or; (c) any state or condition of the Premises or any part thereof, unless arising out of actions of the DISTRICT.

3. LESSEE releases DISTRICT and waives all right to damages for any loss, costs, or expenses LESSEE may sustain as a result of damage to or destruction of LESSEE's facilities or improvements attributable to DISTRICT's flood control or water conservation function or flooding caused by inadequacy or failure of DISTRICT's facilities or improvements.

B. Insurance

As of the Effective Date of this Lease and during the entire Lease Term, LESSEE shall pay all premiums required to maintain and keep in force the following insurance coverage herein, with insurance carrier(s) acceptable to DISTRICT.

1. Comprehensive Commercial General Liability Insurance. LESSEE shall procure such policy with coverage of not less than Five Million Dollars (\$5,000,000) combined single limit for third party liability and One Million Dollars (\$1,000,000) per occurrence.

2. Automobile Liability Insurance: LESSEE shall procure such policy with coverage of not less than One Million Dollars (\$1,000,000) per accident.

3. Other Insurance Requirements:

a. LESSEE shall name the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT and the COUNTY OF LOS ANGELES, ITS GOVERNING BOARD, OFFICERS, AND EMPLOYEES, as additional insured on each and every policy of insurance procured by LESSEE as required herein.

b. LESSEE shall deliver to DISTRICT, within ten (10) days prior to the Effective Date, copies of all actual insurance policies procured by LESSEE required hereof.

c. LESSEE shall furnish DISTRICT, thirty (30) days prior to each anniversary of the Effective Date, Certificates of all insurance policies required herein, as proof that they are in full force and effect, and the limits thereof.

d. LESSEE shall pay any and all premiums or other expenses arising in connection with the furnishing of the insurance.

e. All insurance policies shall contain a provision that said policies shall not be canceled or terminated without thirty (30) days prior written notice from the insurance company to DISTRICT. On or before ten (10) days prior to the expiration of any insurance policy, LESSEE will deliver to DISTRICT either written notice in the form of a receipt or other similar document from the applicable insurance company that said policy or policies have been renewed, or a copy of a new insurance policy from another responsible and solvent insurance company acceptable to DISTRICT for such coverage.

f. LESSEE shall procure an appropriate clause or an endorsement on any policy of fire, lightning, vandalism, malicious mischief, or extended coverage insurance covering the Premises, the improvement(s) and any personal

property, fixtures and equipment located in or on the Premises, pursuant to which the insurance companies waive subrogation or consent to a waiver of right of recovery against DISTRICT. LESSEE does hereby agree that it shall not make any claim against or seek to recover from DISTRICT any loss or damage to LESSEE's property or the property of others, resulting from and covered by fire or other hazard insurance.

g. Any loss shall be payable by LESSEE notwithstanding any act or negligence of DISTRICT, its officers, agents and employees that may otherwise result in a forfeiture of the insurance.

h. The policies required herein are primary and non-contributing with any insurance that may be carried by DISTRICT.

i. LESSEE shall, at all times prior to a loss thereon, be entitled to surrender any insurance policy or policies of fire or extended coverage insurance and to receive the allowable rebate of unearned premiums thereon; however, the LESSEE first shall substitute an acceptable policy(s) for an equal amount of coverage.

j. At any time during the Lease Term, should DISTRICT require any other reasonable types of insurance policies, LESSEE shall conform with DISTRICT's requirement to the extent commercially practicable.

4. Use of Funds for Repair and Restoration

DISTRICT shall, at LESSEE's sole cost and expense, cooperate fully with LESSEE to obtain the largest possible recovery following any damage or loss due to an incident covered by insurance. All policies of fire and extended coverage insurance required by this Lease shall provide that the proceeds shall be held in trust by the Insurance Trustee, as provided for in Article 14.B.(5) below for the uses and purposes

prescribed by this Lease. All costs and charges by the Insurance Trustee to discharge related duties shall be borne and paid by LESSEE.

5. Insurance Trustee

a. Prior to the commencement of this Lease, LESSEE shall designate an Insurance Trustee, as defined in Article 36. In the absence of a designation by LESSEE or approval by DISTRICT, the Los Angeles County Flood Control District Chief Engineer or designee shall serve as the Insurance Trustee.

b. In the case of loss or damage to the Premises, all proceeds payable pursuant to the provision of any insurance policy or policies of fire insurance or extended coverage shall be expressly made payable to the Insurance Trustee for DISTRICT and LESSEE. Insurance Trustee shall disperse proceeds as follows:

(i) If the proceeds do not exceed the amount defined in Article 36. DEFINITION as minor repairs, such proceeds shall be paid to LESSEE and shall be applied by LESSEE for the repair, restoration, or reconstruction of any improvement damaged or destroyed by casualty giving rise to the insurance claim.

(ii) All proceeds received by the Insurance Trustee from any insurance policies of fire insurance or extended coverage shall first be used, subject to any other conditions contained in this Lease, by such Insurance Trustee to fund the restoration and repair of the Improvements and equipment located on the Premises, which have been destroyed or damaged.

(iii) Such proceeds shall be paid out by the Insurance Trustee to persons furnishing labor or materials, or both, including architect fees and contractors compensation for the construction work, based on vouchers or invoices

approved by a licensed architect or engineer contracted by LESSEE to superintend the work. However, if the Insurance Trustee shall reasonably determine that such vouchers or invoices are improperly approved by such architect or engineer, or if no such architect or engineer is contracted, then the Insurance Trustee shall have the right to choose such contractors to supervise the construction work and to make the payments out of the insurance trust fund for their reasonable expenses or charges.

(iv) Any proceeds not disbursed by the Insurance Trustee, as provided above, and which remains in the Insurance Trust fund after the completion of and payment for the restoration or repair work, shall within thirty (30) days after written demand made by LESSEE or DISTRICT upon the Insurance Trustee and accompanied by reasonable proof of such completion and payment, be distributed to LESSEE and DISTRICT in proportion to their respective financial interest in the Premises, as shall be determined solely by DISTRICT. If LESSEE does not complete the restoration or repair work, the remaining proceeds will not be disbursed to the LESSEE.

(v) If the insurance proceeds are insufficient to pay the actual cost of reconstruction, repair, or rehabilitation, Insurance Trustee shall request such deficiency from LESSEE, who shall bear and provide deficient amount by depositing same with the Insurance Trustee within ninety (90) days following the request.

DISTRICT at its option, may pay for such repairs. All costs incurred by DISTRICT shall be repaid to DISTRICT by LESSEE along with interest, at the rates stipulated below in Article 14.B.(7)b. below.

6. If the Insurance Trustee shall for any reason resign, be unable or unwilling to act or continue to act, the LESSEE shall designate another Insurance Trustee in and under the same manner and conditions as provided for in Article 14.B.(4)(a) above.

7. Right of DISTRICT to Insure

a. If for any reason LESSEE shall neglect or fail to insure or cause to insure and keep insured the improvements on Premises as required by this Lease, or to pay the premiums therefore, DISTRICT may at its option, procure or renew such insurance and pay the premiums thereon.

b. Any amount paid for insurance by DISTRICT shall become immediately due and payable by LESSEE to DISTRICT. The premiums paid by DISTRICT shall accrue interest at ten percent (10%) per annum, but not to exceed the then legal rate in California, from the date the premium is paid by DISTRICT. The interest charge shall be the maximum allowed by law, but not to exceed the then existing legal limit in California. For each month that the sum is past due, interest shall be charged on the unpaid balance plus accrued interest, until the amount fully owed is received by DISTRICT.

c. DISTRICT is not required to carry any public liability, public damage or extended coverage insurance on any improvements on the Premises.

C. Uninsured Casualty

An uninsured casualty is a loss for which insurance is not required under this Lease. At any time during the Lease Term should destruction or damage occur to all or any part of LESSEE's improvements caused by an uninsured casualty, LESSEE shall

have no obligation to rebuild those improvements and may terminate this Lease by giving DISTRICT one hundred eighty (180) days written notice, within forty five (45) days after such damage or destruction occurs. Should LESSEE terminate this Lease, LESSEE shall, at its own expense, and at DISTRICT's sole discretion, remove the Improvements from the Premises to DISTRICT's satisfaction in accordance with Article 9. In any event, LESSEE shall leave no damaged or destroyed Improvements thereon.

D. Effect of Destruction

Destruction of any of LESSEE's improvements upon the Premises shall not effect an abatement or reduction in rent, except in the event of termination as provided in Article 9.B.

**ARTICLE 15.
ASSIGNMENT AND SUBLETTING**

LESSEE shall not assign this Lease or any interest herein or the improvement(s) on the Premises or any part thereof or any right or privilege appurtenant thereto without the prior written approval of DISTRICT.

A. Conditions for Assignment of Leasehold

The legal classification of LESSEE as of the Effective Date is: California Corporation

1. Any change in the legal classification of the LESSEE, including without limitation, sole proprietorship, partnership, corporation, joint venture, or any other entity, natural or artificial, or any transfer of or alteration in the ratio of the evidences of ownership interests in the LESSEE (including without limitation shares of stock equal to or greater than ten percent (10%) of the total shares of stock), shall be

deemed an assignment prohibited by this Article, unless the prior written consent of DISTRICT is obtained.

2. Any transfer of this Lease or any interest therein from LESSEE by corporate reorganization, merger, consolidation, or liquidation shall be deemed an assignment prohibited by this Article, unless the prior written consent of DISTRICT is obtained.

3. Any dispute shall be processed in accordance with the procedure set forth in Article 32 P. - MISCELLANEOUS, CLAIMS AND PROTEST.

B. Procedure for Assignment

LESSEE shall not assign this lease, or any interest herein, the Premises, or any part hereof, or any right or privilege appurtenant thereto, without first obtaining the written consent of DISTRICT's Chief Engineer or designee. The assignee shall agree in writing to be bound by the covenants, conditions, and agreements contained herein, and a copy of any such agreement shall be furnished to DISTRICT prior to the effective date thereof. DISTRICT agrees that such consent shall not be unreasonably or arbitrarily refused. DISTRICT's consent to one assignment shall not be consent to any subsequent assignment, by another party. Any unauthorized assignment shall be voidable and shall terminate this Lease at DISTRICT's option. The charge for an assignment shall be Twenty-Five Hundred Dollars (\$2,500).

In the event of attachment, garnishment, or execution against LESSEE, or voluntary or involuntary bankruptcy proceedings, or insolvency or receivership taken or against LESSEE, neither this Lease nor any interest herein shall be assignable or transferable. Possession of the whole or any part of the Premises shall not be divested

from LESSEE in such proceedings without the written consent of DISTRICT. Any breach of the provisions of the Article shall cause this Lease to terminate immediately at the option of the DISTRICT.

C. Subletting

LESSEE shall not have the right to sublease any portion of the Premises or its improvements thereon.

**ARTICLE 16.
NO SUBORDINATION**

DISTRICT shall not subordinate its fee interest in the Premises to any lien or encumbrance created by LESSEE.

**ARTICLE 17.
RIGHT TO HYPOTHECATE LEASEHOLD**

A. Right to Hypothecate Leasehold

1. LESSEE shall have the right at any time, and from time to time, to pledge or assign its interest herein to a bank, insurance company or other commercial lender authorized to do business in the State of California (Lender), but only as collateral security for one or more loans (Loan) made by the Lender to LESSEE for the purpose of financing or refinancing the construction of improvements (including major or minor repairs) within the development project which includes the Premises. Any document or instrument purporting to pledge or assign LESSEE's interest in the Lease (in whole or in part) to a Lender as provided in this Article 17 is hereinafter referred to as a Security Agreement.

2. Within five (5) days after execution of a Security Agreement, a true copy of the Security Agreement and the Loan secured thereby shall be delivered to

DISTRICT, together with a written notice specifying the name and mailing address of the Lender. If the Security Agreement or a memorandum thereof is recorded or filed, LESSEE shall give DISTRICT not later than ten (10) days thereafter written notice of the date and place of recording or filing and the recorder's document number, book and page reference, or any other identifying reference.

3. Following execution and delivery of a Security Agreement, and for as long as the Security Agreement is in effect, this Lease shall not be modified except by a written instrument executed by DISTRICT, LESSEE and the Lender. Except as expressly provided herein, nothing contained in the Security Agreement shall be deemed or construed to relieve LESSEE from the full and faithful observance and performance of its covenants herein contained, or from liability for its failure to observe or perform such covenants, or to constitute a waiver of any rights of DISTRICT hereunder.

4. Any Security Agreement permitted hereunder may be in the form of a leasehold mortgage or deed of trust. The proceeds of the Loan(s) secured by the Security Agreement may be used solely for capital expenditures within the development project which includes the Premises.

5. No security interest in this Lease shall extend to or affect the fee, the reversionary interest, or any other estate of DISTRICT in and to the Premises or any other land or improvements owned by DISTRICT.

6. No more than one Security Agreement shall be in effect at any time during the Lease Term. No Security Agreement shall be binding upon DISTRICT in the enforcement of its rights under this Lease, nor shall DISTRICT be deemed to have any

notice thereof, unless such Security Agreement strictly complies with each and every provision of this Article 17. Any Security Agreement, which is entered into in violation of this Article 17 shall be void.

7. No Lender shall transfer its rights under a Security Agreement in whole or in part, except to another bank, insurance company or other commercial lender authorized to do business in the State of California.

8. No Security Agreement shall be valid unless all of the following conditions are met:

a. On the effective date of the Security Agreement this Lease shall be in full force and effect, and no default shall have occurred and be continuing hereunder, nor shall any event have occurred which, with the giving of notice or the passage of time or both, would constitute a default hereunder.

b. The Security Agreement shall expressly be made subject to the terms, covenants and conditions of this Lease.

c. The Security Agreement shall expressly provide that the Lender shall provide evidence to DISTRICT that the Lender has accepted or approved of the completed improvements to be financed or refinanced with the Loan, and that the Loan proceeds have been properly expended by LESSEE.

d. The Security Agreement shall expressly provide that any proceeds from fire, extended coverage or other hazard insurance shall be used to pay for the repair or reconstruction of the improvements financed or refinanced with the Loan, and to pay such other expenses as are expressly required by this Lease to be paid from the Loan proceeds.

e. The Security Agreement shall provide that copies of all notices of default under the Loan or Security Agreement must be sent to DISTRICT and LESSEE. DISTRICT must have the right, but not the obligation, to cure any default of LESSEE under the Loan or Security Agreement if LESSEE shall fail to do so. DISTRICT shall have not less than sixty (60) days, after the time for LESSEE to cure the default under the Loan or Security Agreement has expired, to cure such default.

9. If the Lender succeeds to the interest of LESSEE under this Lease as a result of the exercise of remedies under the Security Agreement or the Loan, or otherwise, it shall not transfer or convey such interest, in whole or in part, except to another bank, insurance company or other commercial lender authorized to do business in the State of California.

10. During the term of the Security Agreement and while this Lease is in effect, the Lender shall have the right at any time to perform any obligation of LESSEE hereunder. Any performance of LESSEE's obligations hereunder by the Lender shall be effective for all purposes as if done by LESSEE.

11. All rights and obligations of DISTRICT and LESSEE, respectively, under this Lease shall be binding upon the respective heirs, executors, administrators, successors and assigns of DISTRICT and LESSEE, whether or not so expressed herein.

12. In the event of any conflict between this Lease and any Security Agreement, the provisions of this Lease shall prevail.

B. Lender's Right to Cure Defaults

1. Concurrent with giving notice of default to LESSEE pursuant to Article 21, DISTRICT shall deliver a copy of such default notice to the Lender under any permitted Security Agreement at its address furnished to DISTRICT in accordance with Article 17.A.(2).

2. During the term of a permitted Security Agreement, DISTRICT will not terminate this Lease due to any default on the part of LESSEE if the Lender, within sixty (60) days after DISTRICT has sent a written notice pursuant to Article 21:

a. Cures such default, if such default can be cured by the payment of money, or if the default cannot be cured by the payment of money, commences and thereafter diligently pursues a cure to completion; and

b. Keeps and performs all of the other covenants and obligations of LESSEE under this Lease.

3. Notwithstanding the provisions of this Lease restricting assignment, the rights and obligations of LESSEE under this Lease may be assigned to the Lender in lieu of foreclosure, or to the Lender or another purchaser by judicial or non-judicial foreclosure (without, however, releasing LESSEE from any of its obligations hereunder), with the liability of the Lender being limited to the period of its possession of the Premises or ownership of the rights and obligations of LESSEE hereunder.

4. If this Lease is terminated by DISTRICT based on LESSEE's default, or if the Lender acquires the rights of LESSEE hereunder, DISTRICT shall enter into a new lease of the Premises with the Lender if the Lender (a) makes written request within sixty (60) days after acquiring such rights, (b) pays all costs of DISTRICT relating

to such default and termination and preparation of a new lease, and (c) cures all curable defaults as though the Lease had not been terminated, The new lease shall be for the remainder of the term of this Lease, effective at the date of termination or foreclosure, at the rent and on the same terms and conditions as this original Lease.

ARTICLE 18.
BANKRUPTCY OR INSOLVENCY

A. Breach

LESSEE shall be deemed to have repudiated its obligations and to have breached this Lease if, during the term of this Lease either of the following occurs:

1. A petition to have LESSEE adjudged bankrupt or a petition for reorganization, arrangement or relief under the Bankruptcy Act as now in force or hereafter amended, is filed by or against LESSEE, and if so filed against LESSEE, is not dismissed within sixty (60) days from the date of such filing or;

2. In any judicial action or proceeding pursuant to any composition of creditors, a receiver or other officer or agent (including LESSEE as a debtor in possession) is appointed to take charge of the Premises or the business conducted therein, and not removed within sixty (60) days of the occurrence.

B. Lease Termination

LESSEE expressly agrees that DISTRICT may at its election terminate this Lease in the event of the occurrence of either of the events described above by giving not less than thirty (30) days notice to LESSEE, and when so terminated, DISTRICT may reenter the Premises and relet to another.

ARTICLE 19.
CONDEMNATION

A. Total Take

If the entire Premises shall be taken by condemnation or other proceedings pursuant to law, or sold in avoidance of such condemnation or other proceedings, which is sufficient to render the remaining portion thereof unusable by LESSEE in the sole judgment of DISTRICT (hereinafter taking), then LESSEE shall give notice to DISTRICT of its intention to terminate this Lease not more than ninety (90) days after the date of such taking, and this Lease shall terminate as of this date. In the event the Lease is terminated as a result of such taking prior to the twentieth (20th) year of the Lease, the award, settlement or payment resulting from such taking (including any award, settlement or payment as compensation by way of severance damage suffered by such portion of the Premises not taken), shall be distributed between the parties as follows:

1. LESSEE shall participate in such award, settlement or payment as compensation for the depreciated market value of LESSEE's improvement on the Premises through the twentieth (20th) year of the Lease, after which the LESSEE will not participate in nor receive any such award, settlement, or payment.

2. The complete residue of said award, settlement or payment shall be awarded to DISTRICT.

B. Partial Take

If a lesser portion of Premises shall be taken, by condemnation or otherwise, not giving rise to the termination of this Lease, this Lease shall continue in full force and effect, and LESSEE shall promptly repair any damage to said improvement caused by

any such taking. In the event of such lesser taking the award, settlement or payment for such taking shall be divided between the parties hereto as follows:

1. LESSEE shall participate in such award, settlement, or payment so as to be compensated for the portion of LESSEE's improvements on the Premises taken, the cost of repair of the LESSEE's improvements remaining on the Premises not taken, the damage suffered by LESSEE's Improvements on the Premises by virtue of the taking of a portion thereof and the depreciation to and cost of removal of LESSEE's improvements on the Premises through the twentieth (20th) year of the Lease, after which the LESSEE will not participate in nor receive any portion of such award, settlement, or payment attributable to the leasehold value or improvements on the Premises.

2. The residue of such award, settlement, or payment shall be awarded to DISTRICT. In the event of such lesser taking not giving rise to termination of this Lease, the Rent payable by LESSEE to DISTRICT after such taking shall be reduced by an amount equal to the product of the multiplication of the rent payable at the time of such taking by a fraction, the numerator of which shall be the number of square feet so taken and the denominator shall be the total number of square feet of the Premises existing immediately prior to such taking. Such Rent reduction shall be effective as of the date of such taking. In no event shall rent be less than the DISTRICT's minimum rent requirement of \$2,500 per year.

C. Temporary Take

1. If the use or occupancy of all or any part of the Premises shall be temporarily requisitioned by any governmental authority, civil or military, this Lease shall

continue in full force and effect, and LESSEE shall promptly repair any damage caused by any such taking or requisition to LESSEE's improvements on the Premises.

2. In the event of such temporary requisition, there shall be an equitable abatement of Rent, to be determined solely by DISTRICT.

D. Applicability of Article

This Article shall apply only to condemnation or other proceedings or sales in avoidance of condemnation which are instituted by a public agency other than DISTRICT.

E. Waiver

LESSEE hereby waives all rights to so take any or all of Premises or other DISTRICT property by condemnation or other similar action.

**ARTICLE 20.
DEFAULT**

Any and all of the following actions shall constitute an event of default under this Lease on the part of LESSEE:

- a. Failure to pay any installment of Rent when due.
- b. Failure to pay any other monies due DISTRICT under this Lease within fifteen (15) days after receipt of written notice by LESSEE.
- c. Failure to pay any insurance premiums, liens, claims, demands, judgments, or other charges when due for which LESSEE is responsible under this Lease.
- d. LESSEE maintaining, committing or permitting the maintenance or commission of a nuisance upon Premises or using the same for an unlawful purpose.

- e. Failure to repair or maintain Premises as provided in this Lease.
- f. Abandonment of Premises for a continuous period of thirty (30) days or more;
- g. Failure to perform or a breach of any other covenant, condition or restriction provided in this Lease.
- h. The presence, use, storage or disposal of any hazardous substance on or about the Premises.

ARTICLE 21.
REMEDIES FOR DEFAULT

A. DISTRICT Rights Arising from LESSEE Default

In addition to any other remedies available by law, DISTRICT shall have the non-exclusive right, at its sole election, to pursue any or all of the following remedies in the event of default by LESSEE:

1. To notify LESSEE in writing identifying the event of default and allowing a reasonable period of time, at the sole discretion of DISTRICT, for LESSEE to cure such default. This notice may be accompanied by a notice of termination, setting a date for termination of the Lease in the event the default is not cured within the time granted. Such notice of termination may not set a date for termination of the Lease of less than thirty (30) days from the date notice is given.

2. To enter and take possession of the Premises, without terminating this Lease and take any action necessary to preserve or maintain the Premises and rent the Premises at the best price obtainable by reasonable effort and for any term and on such conditions as DISTRICT deems proper.

Upon each such reletting, all rentals received by DISTRICT shall be applied first to the payment of rent due and unpaid hereunder; second to the payment of any loss and expense of such reletting, including administrative fees and costs of any alterations or repairs; third to the payment of any indebtedness due. The residues if any, shall be held by DISTRICT and applied to payment of future rent as the same may become due and payable hereunder. LESSEE shall remain liable to DISTRICT for the deficiency if any, between LESSEE's rent hereunder and rent obtained by DISTRICT on reletting.

3. To terminate this Lease upon thirty (30) days written notice, and to enter into and upon the Premises and take possession of the same. Upon termination of this Lease, in addition to any other remedies DISTRICT may have at law, in equity or under this Lease, DISTRICT may recover without limitation, any unpaid rent and charges equivalent to rent having accrued, all costs associated with recovering and/or reletting the Premises, all costs associated with performing LESSEE's obligations hereunder, and the worth at the time of such termination of all rent and charges equivalent to rent lost over the remainder of the Lease Term, plus interest at the maximum allowed by law, but not to exceed the then existing legal limit in California.

B. Rent Due and Rights Not Waived In Event of Default

1. Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or others as provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any Rent due to DISTRICT hereunder or of any damages accruing to DISTRICT by reason of the violation of any of the terms, provisions and covenants herein contained.

2. Forbearance by DISTRICT to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of any of DISTRICT's rights hereunder.

ARTICLE 22.
SALE OF THE PREMISES BY DISTRICT

In the event of a sale of the Premises by DISTRICT, DISTRICT shall be entirely freed and relieved of all liability under any and all of its covenants and unaccrued obligations contained in or derived from this Lease arising out of any act, occurrence or omission after the consummation of such sale, provided that the purchaser at such sale, shall in writing covenant to and with LESSEE to carry out any and all of the covenants and obligations of DISTRICT under this Lease.

ARTICLE 23.
HAZARDOUS SUBSTANCES

A. Definition

For purposes of this Lease, the term hazardous substances shall be deemed to include:

- Hazardous, toxic or radioactive substances as defined in California Health and Safety Code Section 25316 as amended from time to time, or the same or a related defined term in any successor or companion statutes, crude oil or byproducts of crude oil other than which exists on the property as a natural formation, and those chemicals and substances identified pursuant to Health and Safety Code Section 25249.8;
- Substances which require investigation or remediation under any Federal, State or Local statute, regulation, ordinance, order action, policy or common law;

- That which is or becomes defined as hazardous waste, hazardous substances, pollutant or contaminant under any Federal, State or Local statute, regulation, ordinance or amendment thereto, including without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and/or the Resource Conservation and Recovery Act (RCRA);
- That which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or likewise hazardous and is or may become regulated by any governmental authority, agency, department, commission, board of instrumentality of the United States, the State of California or any political subdivision thereof;
- Substances, present on or about the Premises which cause or threaten to cause a nuisance thereupon or to adjacent properties or pose or threaten to pose a hazard to the health or safety of persons on or about such property;
- Without limitation, substances containing gasoline, diesel fuel or other petroleum hydrocarbon;
- Without limitation, substances containing polychlorinated biphenols (PCBs), asbestos or urea formaldehyde foam insulation.

B. Warranties and Representations

1. LESSEE hereby warrants and represents that it will not cause or allow to be caused the presence, use, storage or disposal of any hazardous substances on or about the Premises.

2. LESSEE hereby warrants and represents that it shall comply with all federal, state, DISTRICT and local laws and regulations concerning the use, release, storage and disposal of hazardous substances on the Premises.

C. Notice

LESSEE agrees to immediately notify DISTRICT when, hazardous substances have been released on the Premises.

D. Damage/Spillage

1. In the event of spillage, leakage, or escape (release) of any hazardous substances for any reason, LESSEE shall immediately notify DISTRICT at (800) 675-4357 or (800) 675-HELP, and make necessary repairs and erect necessary restraints and impoundments to prevent discharge into any property, channel, ocean drainage system or underground reservoirs. LESSEE shall also promptly remove any and all hazardous substances that may have leaked, spilled or escaped and restore the Premises and all other affected properties and/or facilities to their former condition or equivalent to the DISTRICT's satisfaction.

2. LESSEE further agrees that no pollutants or water carried pollutants may be used to pressure test a pipeline, or to be discharged into DISTRICT's property, channel, underground reservoir, drainage system or the ocean unless the LESSEE receives written approval by DISTRICT. In the event such pollutants are inadvertently discharged into any such system, LESSEE shall immediately notify DISTRICT by telephone and take the appropriate action to prevent further such discharge.

3. In addition to removing any hazardous substances, LESSEE shall be liable for and reimburse DISTRICT for any and all costs and expenses that DISTRICT may incur or suffer by reason of the escape of such substances from LESSEE'S improvement(s). Such responsibility shall include costs or expenses as DISTRICT may incur by reason of Federal, State, DISTRICT, local or other authoritative agency's laws and regulations.

E. Indemnity

LESSEE agrees to indemnify, defend and save harmless DISTRICT, from and against all liability, expenses (including defense costs, legal fees, and response costs imposed by law) and claims for damages of any nature whatsoever which arise out of the presence or release of hazardous substances on the Premises.

F. Default

The release of hazardous substances on the Premises shall constitute an event of default as defined in Article 20 - Default and shall be subject to the remedies set forth in Article 21.

G. Survival

The provisions, warranties and representations set forth in this Article shall survive the termination of this Lease without limiting the survival of any other provisions of this Lease.

**ARTICLE 24.
ESTOPPEL CERTIFICATES**

DISTRICT and LESSEE shall, respectively, within sixty (60) days after receipt of written request by the other, deliver to the requesting party an executed and acknowledged written statement referred to as an Estoppel Certificate, certifying that (1)

this Lease is unmodified and in full force and effect (or if there has been any modification(s) thereof that the same is in full force and effect as modified, and stating the nature of the modification or modifications), (2) to its knowledge the requesting party is not in default under this Lease (or if any such default exists, the specific nature and extent thereof), and (3) any date(s) to which Rent and other charges have been paid in advance. Each certificate delivered pursuant to this Article may be relied upon by any prospective purchaser or transferee of the Premises or of DISTRICT's or LESSEE's interest hereunder or by any fee or leasehold mortgagee of Premises or of DISTRICT's or LESSEE's interest hereunder or by any assignee of any such mortgage.

ARTICLE 25.
JOINDER IN INSTRUMENTS; LOT SPLIT, ZONING

Upon request of the other, DISTRICT at its discretion and LESSEE shall join in any instruments of conveyance, dedication, grant of easement or license, or other instrument as shall be reasonably necessary or convenient to provide public utility service and/or public roadway access to the Premises or any portion(s) thereof or to obtain proper zoning, lot splits, etc., covering the Premises. DISTRICT shall not be required to incur any cost or expense by virtue of the provisions of this Article.

ARTICLE 26.
EXCUSABLE DELAYS

If either Party is delayed, prevented or hindered from the performance of any covenant or condition of this Lease due to acts of the other party, acts of God, action of the elements, war, invasion, insurrection, acts of a public enemy, riot, mob violence, civil commotion, sabotage, labor disputes, laws, moratoriums, financial inability excepted, such performance shall be excused for the period of the delay (and the period for such

performance shall be extended for a period equivalent to the period of such delay).
Nothing herein, however, shall excuse LESSEE from the obligation to pay Rent hereunder.

ARTICLE 27.
NON DISCRIMINATION

A. Use of The Premises

LESSEE doing business with any person, club, business, contractor or organization involved on the Premises, agrees that in the use of the Premises, persons or prospective persons shall not be denied or selected because of race, religion, ancestry, national origin or sex, and shall comply with all Federal and State laws prohibiting discrimination including, but not limited to, the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the State Fair Employment Practices Act.

B. Employees

LESSEE agrees that all persons employed thereby shall be treated equally without regard to or because of race, religion, ancestry, national origin or sex, and in compliance with all Federal and State laws prohibiting discrimination in employment, including, but not limited to, the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the State Fair Employment Practices Act.

C. Subcontractors

LESSEE agrees that subcontractors, bidders and vendors thereof are and shall be selected without regard to or because of race, religion, ancestry, national origin or sex.

D. Records

All employment and rental records shall be open for inspection and reinspection at any reasonable time during the term of this Lease for the purpose of verifying the practice of non-discrimination by LESSEE in the areas heretofore described.

E. Breach

DISTRICT has the option to terminate this Lease or charge damages for each breach of the promises of non discrimination. The sum of Five Thousand Dollars (\$5,000) is hereby agreed upon as the amount of damages that will be assessed to LESSEE and paid to DISTRICT for each breach of the promises of non discrimination contained. Said amount has been agreed to by both parties in recognition of the difficulty in fixing actual damages arising from a breach thereof.

DISTRICT's initials _____ LESSEE's initials _____

**ARTICLE 28.
QUIET ENJOYMENT**

DISTRICT covenants that LESSEE upon timely and properly performing its obligations herein shall have the quiet and undisturbed possession of the Premises throughout the Lease Term.

**ARTICLE 29.
RESERVATIONS**

A. Reservation to Use of The Premises

1. DISTRICT reserves the right to use the Premises for any and all lawful purposes in addition to flood control, water conservation, and watershed management, including but without limitation, public transportation, utilities, roads, parks and recreation, parking, public/private development and/or other related uses together

with incidental rights of construction and installation of facilities, ingress and egress, operation, and maintenance. The exercise of the rights reserved herein shall not be inconsistent with LESSEE's use or constitute unreasonable interference.

2. Interruption of LESSEE's use, for a period at DISTRICT's sole discretion, to permit construction and installation of other facilities, shall not be deemed unreasonable interference.

a. LESSEE shall be notified at least ninety (90) days prior to the commencement of any such construction or alteration. Rent for that portion affected shall abate in proportion during such periods that LESSEE is denied use thereof.

b. No utilities or support structures shall be attached to, built upon, or otherwise unreasonably interfere with LESSEE's use without the written approval of LESSEE.

B. Right of Entry for Inspection, Emergencies, etc.

1. DISTRICT reserves the right to enter the Premises by its authorized personnel, employee(s), contractor(s), or agent(s) in order to inspect the Premises for any purposes incidental to the rights or duties of DISTRICT, and for the protection, maintenance, construction, reconstruction and operation of DISTRICT's facilities. The right to inspect reserved to DISTRICT shall not obligate DISTRICT to make inspections to ascertain the condition of the Premises and shall not impose liability upon DISTRICT for failure to inspect.

2. DISTRICT shall have the right, as it deems necessary, to immediately possess the Premises for the purpose of preventing sabotage, for the

protection of DISTRICT's facilities, and in an emergency where DISTRICT has cause to believe that lives or excessive property or environmental damage are threatened.

**ARTICLE 30.
WARRANTIES**

A. No Warranty of Title

DISTRICT makes no warranties as to whether the Premises delivered to LESSEE are free and clear of any claims, obligations, mortgages, tax assessments, liens and encumbrances. LESSEE may, at it's sole cost and expense, procure a policy of title insurance.

B. No Warranty of Soil

DISTRICT makes no covenants or warranties with respect to the condition of the soil, subsoil or any other condition of the Premises either as existing, or as may be discovered by specific tests as delineated in Article 5.B.

C. No Warranty of Use

DISTRICT makes no representations or covenants or warranties as regards LESSEE'S proposed or actual use of the Premises or Improvements thereon.

**ARTICLE 31.
OPERATIONS AND SUPERVISION**

A. Operations

LESSEE shall operate all its improvements on and adjacent to the Premises comparable with other such operations and in a manner similar with those prevailing in the area and other areas in Southern California furnishing the same services and amenities. LESSEE shall at all times during the Lease Term provide adequate security measures to reasonably protect persons and property on the Premises.

B. Supervision by LESSEE

1. LESSEE's management shall be personally experienced and skilled in management of operations as described herein. LESSEE shall ensure and provide efficient supervision of LESSEE's operations, using its best skill, and shall keep employed at all times a competent supervisor and any necessary assistants.

2. LESSEE's supervisor shall represent LESSEE in its absence for the operation of the facility upon the Premises, and all directions given to LESSEE'S supervisor shall be as binding as if given to LESSEE; provided, however, if LESSEE's supervisor does not comply with said request, DISTRICT may serve notice pursuant to Article 32.A.

ARTICLE 32.
MISCELLANEOUS

A. Notices

1. Any notice to be given or other document to be delivered by either party to the other hereunder may be delivered in person to either party or by private courier or may be deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed to the party for whom intended as follows:

To DISTRICT: Los Angeles County Flood Control District
P.O. Box 1460
900 South Fremont Avenue
Alhambra, CA 91802 1460
Attention: Mapping & Property Management Division

To LESSEE: WESTERN DIOCESE OF THE ARMENIAN CHURCH
OF NORTH AMERICA
c/o Primate
3325 North Glenoaks Boulevard
Burbank, CA 91504

Copy to: Daniel A. Friedlander, Esq.

Jackson DeMarco Tidus & Peckenpaugh
2815 Townsgate Road, Suite 200
Westlake Village, CA 91361

2. Either party hereto may from time to time by written notice to the other party designate a different address which shall be substituted for the one above specified, except that LESSEE shall always provide a California address. If any notice or other document is sent by registered or certified mail, as aforesaid, the same shall be deemed served or delivered twenty four (24) hours after the mailing therefore as above provided.

B. Waiver

No waiver by either party of any breach by the other party of any term, covenant or condition of this Lease shall be deemed a waiver of any other breach of the same or any other term, covenant or condition of the Lease. The payment or acceptance of Rent hereunder shall not be deemed a waiver of any breach of any term, covenant or condition of this Lease.

C. Holding Over

1. If LESSEE shall hold over Premises after the expiration of the terms hereof with the consent of DISTRICT, either expressed or implied, such holding over shall be construed to be a month to-month tenancy only, subject to all the covenants, conditions and obligations hereof.

2. LESSEE hereby agrees to pay to DISTRICT the rental at a rate equal to double the sum of the annual rent paid by LESSEE during the last year of tenancy, prorated on a monthly basis however, nothing herein contained shall be

construed to give LESSEE any rights to so hold over and to continue in possession of the Premises after the expiration of the terms hereof.

D. Lease Binding Upon Successors and Assigns

Subject to the limitations on assignment, each of the terms, covenants and conditions of this Lease extend to, bind and inure to the benefit of not only DISTRICT and LESSEE, but each of their successors and assigns. Whenever reference is made to either DISTRICT or LESSEE in this Lease, the reference shall be deemed to include, wherever applicable, the successors and assigns of such parties the same as if in every case expressed.

E. Covenants

All provisions of this Lease, whether covenants or conditions, on the part of LESSEE, shall be deemed to be both covenants and conditions.

F. Negation of Partnership

Nothing in this Lease shall be construed to render DISTRICT in any way or for any purpose a partner, joint venturer, or associate in any relationship with LESSEE other than that of DISTRICT and LESSEE, nor shall this Lease be construed to authorize either to act as agent for the other unless expressly provided in this Lease.

G. Quitclaim

At the expiration or earlier termination of this Lease, LESSEE shall execute, acknowledge and deliver to DISTRICT within ten (10) days after written demand from DISTRICT to LESSEE, any quitclaim deed or other document as may be required by and on a form acceptable to any reputable title company, including DISTRICT's Title Officer, to remove the cloud of this Lease from the title of the real property subject to

this Lease. The quitclaim deed shall also confirm title in LESSEE's improvement(s) to DISTRICT, which DISTRICT has elected to retain pursuant to Article 9, herein.

H. Number and Inclusion, Joint and Several

Whenever the singular number is used in this Lease and when required by the context, the same shall include the plural, and the word person shall include corporation, firm or association.

If there is more than one LESSEE, the obligations imposed under this Lease upon LESSEE shall be joint and several.

I. Headings and Titles

The marginal headings or titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part herein.

J. Compliance with Governmental Regulations

LESSEE shall, at its own cost and expense, promptly and properly observe, comply with and execute, including the making of any alteration, addition or change to the Premises, all present and future orders, regulations, directions, rules, laws, ordinances and requirements of all governmental authorities (including but not limited to state, municipal, DISTRICT and federal governments and their departments, bureaus, boards and officials), arising from the use or occupancy of, or applicable to, the Premises, or the vaults, franchises, or privileges appurtenant to or connected with the enjoyment of the Premises. LESSEE shall have the right to contest or review, by legal procedure or in such other manner as LESSEE may deem suitable, at its own expense, any such order, regulation, direction, rule, law, ordinance or requirement and if able,

may have the same canceled, removed, revoked or modified, provided that DISTRICT is not subjected to a criminal prosecution and that DISTRICT's title to the Premises is not subject to forfeiture, and LESSEE hereby agrees to indemnify, defend and hold DISTRICT harmless from and against any civil liability as a result of any such contest of review. Any such proceedings shall be conducted promptly and shall include, if LESSEE so decides, appropriate appeals. Whenever requirements become absolute after a contest, LESSEE shall diligently comply with the same or so much thereof as shall have been judicially sustained.

K. Ineligibility for Relocation Assistance

LESSEE expressly acknowledges that LESSEE is a post acquisition TENANT, and termination by reasons of an exercise of the rights herein reserved to DISTRICT, breach of the Lease terms by LESSEE, expiration of the term hereof, or termination for any other reason shall not entitle LESSEE to a claim of status as a displaced person as such is defined in Section 7260 (b)(c)(d) of the Government Code of the State of California. LESSEE hereby disclaims such status and hereby acknowledges its ineligibility for relocation assistance as provided in Government Code Sections 7260 through 7277, as it exists or as it may be amended.

L. Storage of Materials

LESSEE shall not use the Premises for the temporary or permanent storage of excavated materials, rock, sand, cement, or other material or any equipment except as specifically approved in writing from DISTRICT.

M. Entire Lease

This Lease contains the entire Lease of the parties and of matters covered hereby, and no other previous agreement, statement or promise made by any party hereto which is not contained herein shall be binding or valid unless in writing and properly executed by both parties.

N. Time of Essence

Time is of the essence with respect to obligations to be performed under this Lease.

O. Claims and Protest

1. During reasonable hours, DISTRICT, its agents or employees shall have the right, but not the obligation, to enter upon and inspect the Premises and operations and to make written Demand to Perform upon LESSEE to perform its obligations under this Lease. Such Demand shall specify the obligations to be performed. LESSEE shall immediately perform its obligations placed upon LESSEE by DISTRICT. If LESSEE disputes such Demand, within thirty (30) days after any such Demand is given, LESSEE shall file a written Protest of Demand with DISTRICT stating clearly and in detail its objections and reasons.

2. If LESSEE does not file such protest within thirty (30) days, LESSEE shall be deemed to have waived and does hereby waive all claims for damages and adjustments against DISTRICT arising out of the Demand.

P. Monetary Obligations as Rent

All monetary obligations owed by LESSEE to DISTRICT shall be deemed to be Rent.

Q. Savings Clause

If any provision or provisions of this Lease are for any reason adjudged to be unenforceable or invalid, it is the specific intent of the parties that the remainder shall subsist, be, and remain in full force and effect.

R. Protection of The Premises

LESSEE shall maintain its facilities in such a manner as to protect DISTRICT's property from damage, injury, loss or liability arising from rainfall or other action(s) of the elements.

S. Authority to Enter Lease

LESSEE and DISTRICT individually and severally attest that they are duly authorized to execute this Lease.

**ARTICLE 33.
RECORDATION OF LEASE**

This Lease or a Memorandum of Lease shall be properly acknowledged by the parties in recordable form and shall be recorded by DISTRICT. As a condition precedent to the recordation, the recording fee and the costs of all municipal and DISTRICT documentary transfer taxes as established by the office of the Registrar Recorder of Los Angeles County, California, shall be paid by LESSEE.

**ARTICLE 34.
COUNTY LOBBYIST**

LESSEE shall be familiar with and adhere to Los Angeles County Code Section 2.160.010, County Lobbyist. Each County Lobbyist as defined by Los Angeles County Code Section 2.160.010 retained by LESSEE and/or LESSEE'S representative or agent shall fully comply with provisions set forth therein. Failure on the part of any Lobbyist

retained by LESSEE or LESSEE'S representative or agent to fully comply with said County Code shall constitute a material breach of this Lease upon which the DISTRICT may immediately suspend or terminate this Lease.

ARTICLE 35.
DECLARATION OF KNOWLEDGE BY LESSEE

LESSEE warrants that LESSEE has carefully examined this Lease and by investigation of the site and of all matters relating to the Lease arrangements has fully informed itself as to all existing conditions and limitations affecting the construction of improvements thereon and business practices required in the operation and management of the uses contemplated hereunder.

ARTICLE 36.
DEFINITIONS

ADDITIONAL RENT: Any and all amounts other than annual Rent, including late fees and interest required to be paid by LESSEE under this Lease.

AFFILIATED ENTITY: Any subsidiary corporation, joint venture, partnership or other relationship where LESSEE or any of its principals or owners are officers, shareholders or otherwise interested.

CONSUMER PRICE INDEX-ALL URBAN CONSUMERS (CPI-U): The Index published by the US Department of Labor, Bureau of Labor Statistics that tracks change in the cost of living for all urban consumers in the Los Angeles County area.

DAYS: All references to days shall be in calendar days unless otherwise noted.

INSURANCE TRUSTEE: The Los Angeles County Flood Control District or any California or federally chartered savings and loan association, a federally chartered

bank, or trust company, preferably with an office or branch located within twenty miles of the Premises as shall be approved by DISTRICT.

MAJOR REPAIR: Any repair to the Premises and/or improvements thereon for which the total repair cost exceeds five thousand dollars (\$5,000) (base year = 1994). The five thousand dollar (\$5,000) criteria is to be adjusted annually by the increase in the Western District Building Index Published by Marshall and Swift Publication Company or successor indices.

MINOR REPAIR: Any repair to the Premises and/or improvements thereon for which the total repair cost does not exceed five thousand dollars (\$5,000) (base year= 1994). The five thousand dollar (\$5,000) criteria is to be adjusted annually by the increase in the Western District Building Index Published by Marshall and Swift Publication Company or successor indices.

SECURITY INTEREST: A form of interest in property, which provides that the property may be sold on default in order to satisfy the obligation for which the security interest is given. A mortgage or a deed of trust may be used to grant a security interest in real property.

ACKNOWLEDGMENTS

IN WITNESS WHEREOF, the said LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic, by order of its Board of Supervisors, has caused the Lease to be subscribed by the Chairman of the Board and the seal of said DISTRICT to be affixed hereto and attested by its Executive Officer of the Board of Supervisors, and the LESSEE has hereunto subscribed their names, the day and year first above written.

LESSEE

WESTERN DIOCESE OF THE ARMENIAN CHURCH OF NORTH AMERICAN

By: *Barbara P. M. M. M.*
Chairman of the Diocesan Council

By: *Lily Beng Bahan*
Secretary of the Diocesan Council

DISTRICT

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic

By: *Zev Yaroslavy*
Chairman, Board of Supervisors



ATTEST:

SACHI A. HAMAI, Executive Officer of the Board of Supervisors of the County of Los Angeles

By: *Dam*
Deputy

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Directors

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR., County Counsel

By: *Robert H. Fortner Jr for Mark Yanai*
Deputy



By: *Dam*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

34

JUL 31 2007

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

ACKNOWLEDGMENT FORM

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, _____, Notary Public,
(insert name of the officer) (insert title of the officer)

personally appeared _____

(insert name(s) and title(s))

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

NOTARIES: ATTACH ADDITIONAL OR OTHER FORMS, IF REQUIRED

**ACKNOWLEDGMENT FORM
(FOR COUNTY USE ONLY)**

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, before me, CONNY B. McCORMACK, Registrar-Recorder/County Clerk of the County of Los Angeles, personally appeared _____

_____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

CONNY B. McCORMACK, Registrar-Recorder/
County Clerk of the County of Los Angeles

By _____
Deputy County Clerk

(Seal)

File With: Burbank Western System
Burbank Channel 211
Affects: Parcel No. 212
7-RW 18.1
A.P.N. 2473-013-901 (Portion)
T.G. 533-D4
SD5
M0522015

Exhibit A
[Legal Description of the Premises]

THOSE PORTIONS OF THOSE PARCELS OF LAND IN LOT 5 IN THE NORTHWEST ONE-QUARTER OF SECTION 3, T. 1 N., R. 14 W., S. B. M., CONVEYED TO THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT BY DEEDS RECORDED IN BOOK 37616-191 AND 41748-276 OF OFFICIAL RECORDS IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF LOS ANGELES, WITHIN A STRIP OF LAND 70.00 FEET WIDE, LYING 35.00 FEET EASTERLY AND 35.00 FEET WESTERLY ON EACH SIDE OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF SAID SECTION 3, DISTANT THEREON S. 88° 46' 46 E. 550.18 FEET FROM THE NORTHWESTERLY CORNER OF SAID SECTION 3; THENCE S. 29° 33' 41 E. 67.41 FEET TO A POINT, SAID POINT BEING THE POINT OF THE BEGINNING; THENCE CONTINUING S. 29° 33' 41 E. 525.77 FEET TO THE END, SAID END BEING 952.80 FEET FROM THE INTERSECTION OF THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF THE EASTERLY 30.00 FEET OF NAOMI STREET AS SAID NAOMI STREET IS SHOWN AS FAIRVIEW AVENUE, 30 FEET WIDE, ON MAP OF TRACT NO. 9224 RECORDED IN BOOK 130, PAGES 7 AND 8 IN THE OFFICE OF SAID RECORDER.

THE AREA OF THE ABOVE DESCRIBED PARCEL OF LAND IS 0.84 ACRES MORE OR LESS.

**BURBANK WESTERN SYSTEM
BURBANK CHANNEL**
Reference: 7-RW 18.1

EXHIBIT B

NW¹/₄ SEC. 3
T. 1N., R. 14W.

